



14 February 2019

By post and email: Benjamin@londonblockexchange.com

London Block Exchange Ltd
Kemp House,
160 City Road,
London,
United Kingdom,
EC1V 2NX

Squire Patton Boggs (UK) LLP
Rutland House
148 Edmund Street
Birmingham
B3 2JR
United Kingdom
DX 708610 Birmingham 17

O +44 121 222 3000
F +44 121 222 3001
squirepattonboggs.com

Russ Hill
T +44 121 222 3132
DF +44 670 458 2943
russell.hill@squirepb.com

Dear Sirs,

Final demand for payment of outstanding debts

Our records indicate that you owe Squire Patton Boggs (UK) LLP £9,900 plus interest of £623.54. This amounts to a total of £10,523.54 (the "Debt").

The Debt comprises amounts arising from the following two invoices (together with interest payable thereon):-

- Invoice number: 2622803 Date: 29 March 2018 Amount: £2,700 (plus interest standing at £181.68). This is in connection with professional services provided in respect of financial regulation.
- Invoice number: 2624225 Date: 25 April 2018 Amount: £7,700 (plus interest standing at £441.86). This is in connection with professional services provided in respect of a listing fee agreement.

Interest continues to accrue at a daily rate of £2.17.

The Debt is overdue and payable immediately.

We hereby demand immediate payment of the Debt in full without further delay and in cleared funds to Lloyds Bank Plc, Sort Code: 30-00-05. Account number: 00200399. Please quote the reference RH13/LON.333-0001

If we have not received payment of the Debt by 5pm on 15 February 2019, we reserve the right to take such further action as we see fit, without further recourse to you, which may include the presentation of the attached draft winding up petition.

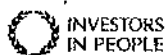
We trust that this will not be necessary and look forward to receiving payment by return.

47 Offices in 20 Countries

Squire Patton Boggs is the trade name of Squire Patton Boggs (UK) LLP, a Limited Liability Partnership registered in England and Wales with number OC 335584 authorised and regulated by the Solicitors Regulation Authority. A list of the members and their professional qualifications is open to inspection at 7 Devonshire Square, London, EC2M 4YH. The status 'partner' denotes either a member or an employee or consultant who has equivalent standing and qualifications.

Squire Patton Boggs (UK) LLP is part of the international legal practice Squire Patton Boggs, which operates worldwide through a number of separate legal entities.

Please visit squirepattonboggs.com for more information.



SQUIRE
PATTON BOGGS

Squire Patton Boggs (UK) LLP

London Block Exchange Ltd
13 February 2019

Yours faithfully

Squire Patton Boggs
Squire Patton Boggs (UK) LLP



Winding-Up Petition

Rule 7.5
COMP 1

For Court use

Case No: CR-2019-001356
Hearing Date: 10 Apr 2019 10:30
In the Rolls
Building

Delete/ complete as necessary:	[a]	IN THE HIGH COURT OF JUSTICE BUSINESS AND PROPERTY COURTS OF ENGLAND AND WALES INSOLVENCY AND COMPANIES LIST (ChD)
(a) High Court, London	[b]	~~IN THE HIGH COURT OF JUSTICE BUSINESS AND PROPERTY COURTS IN {location} INSOLVENCY AND COMPANIES LIST (ChD)}~~
(b) High Court B&PCs DR	[c]	~~IN THE HIGH COURT OF JUSTICE CHANCERY DIVISION~~
(c) Non- B&PCs DR	[d]	~~{location} DISTRICT REGISTRY IN THE COUNTY COURT AT {location}~~
(d) County Court		

Insert name of
company subject to
the petition

**IN THE MATTER OF LONDON BLOCK EXCHANGE LTD
AND IN THE MATTER OF THE INSOLVENCY ACT 1986**

(a) Insert title of
court or hearing
centre as applicable

THE COURT:
(a) To the High Court of Justice
Business and Property Courts of England and Wales
Insolvency and Companies List (ChD)

(b) Insert full name(s)
and address(es) of
petitioner(s)

THE PETITIONER:
(b) The petition of Squire Patton Boggs (UK) LLP of 7 Devonshire Square, Cutlers Gardens,
London, EC2M 4YH (the "Petitioner")
shows as follows:

(c) Insert full name
and registered no. (if
any) and/or other
required
identification details
of company subject
to the petition (see
also rule 1.6 of the
Insolvency (England
and Wales) Rules
2016 (IR 2016))

THE COMPANY:
(c) This petition relates to London Block Exchange Ltd
(hereinafter called "the Company").
The registered number of the Company is 10966096
[or other identification details]

(d) Insert address of
registered office or
other address as
required (see also
rule 1.6 of the IR
2016)

(d) The registered office of the company is at Kemp House, 160 City Road, London,
United Kingdom, EC1V 2NX

(e) Insert date of
incorporation and the
enactment (as
applicable); delete
where necessary

(e) The Company was incorporated on 15 September 2017
under the Companies Act 2006

(f) Enter the total

(f) The total number of issued shares of the Company is 1000

number of shares and the manner in which they are divided up. See also para 11.2(5) of the Practice Direction on Insolvency Proceedings (PDIP). Modify if Company limited by guarantee.
(g) Enter the aggregate value of the shares (see the PDIP above)
(h) Enter amount of capital paid up or credited as such (see PDIP above)
(i) Insert the nature of the Company's business (if known); see also para 11.2(6) of the PDIP
(j) Set out the grounds on which a winding-up order is sought

Which are divided up as follows: 1000 shares of £0.01 each.

(g) The aggregate nominal value of those shares is £10

(h) The amount of the capital paid up or credited as paid up is £10

(i) The principal nature of the Company's business is as follows: multi-cryptocurrency exchange

THE GROUNDS & JURISDICTION:

(j) The grounds on which the winding-up order is sought are:

The Company is duly indebted to the petitioner in the sum of £9,900.00 plus total interest currently standing at £640.90 (the "Debt").

The Debt comprises amounts arising from two invoices (together with interest payable thereon):-

1. Invoice number 2622803, dated 29 March 2018 in the sum of £2,700 (plus interest standing at £186.41). This is in connection with professional services provided in respect of financial regulation.

2. Invoice number 2624225 dated 25 April 2018 in the sum of £7,200 (plus interest standing at £454.49). This is in connection with professional services provided in respect of a listing fee agreement.

Demands for payment have been made but the invoices remain outstanding.

On 14 February 2019, a final demand for payment was sent by the Petitioner to the Company by post and email requiring payment of the Debt due by close of business on Friday 15 February 2019 (annexed to this petition at Annex A). Receipt of this final demand was acknowledged but the debt remains unpaid. The petitioner therefore reasonably believes that the Company is unable to pay its debts as they fall due.

(k) Where the ground is section 122(1)(a) of the Insolvency Act 1986 (IA 1986) (Delete if not applicable)
(l) Where the ground is sections 122(1)(f) or 221(5)(b) of the IA 1986 (Delete if not applicable)
If more than 4 months have elapsed,

~~{(k) The Company has been special resolution dated [date] resolved that the company be wound up by the court.}~~

~~{(l) A statutory demand was served on the company on [date] and the Company is insolvent and unable to pay its debts.}~~

~~{More than 4 months have elapsed between the service of the statutory demand and the presentation of this petition; the reasons for such delay are set out in the witness statement.}~~

this must be explained

statement of ~~[name]~~
filed in support hereof.]

(m) Delete as applicable

(m) The Company ~~is~~/is not an undertaking within Article 1.2 of the EU Regulation on Insolvency Proceedings.

(n) Insert name of witness

(n) For the reasons stated in the witness statement of Russell Hill filed in support hereof, it is considered that:

Delete as applicable.

the EU Regulation on Insolvency Proceedings will ~~/will not~~ apply and these proceedings will be main ~~/secondary or territorial~~ proceedings as defined in the EU Regulation on Insolvency Proceedings.

(o) See rule 7.5(1)(o) of the IR 2016

(o) In the circumstances it is just and equitable that the company should be wound up.

(p) Delete as applicable

THE ORDER SOUGHT:

(p) The petitioner therefore applies for an order that:-

- (1) the Company may be wound up by the court under the Insolvency Act 1986;
- (2) that the petitioner's costs be paid from the assets of the Company; or
- (3) such other order may be made as the court thinks just.

(q) If the company is the petitioner, delete "the company". Add the full name and address of any other person on whom it is intended to serve this petition

ADDRESSES:

(q) It is intended to serve this petition on:

- (1) the Company
- ~~(2)~~ {...}

(r) Delete as applicable

(r) The full contact details of the petitioner's solicitor is:

Name: Squire Patton Boggs (UK) LLP

Rutland House, 148 Edmund Street, Birmingham, B3 2JR

Tel.: 01212223132

Email: Russell.hill@squirepb.com

Reference: RH13

This is the address that the court will use for all communications to the Petitioner until notified otherwise in writing

Insert name and address of the court (and if necessary the district registry) in which the petition is issued

The Court's address is: The High Court of Justice, Rolls Building, 7 Rolls Buildings, Fetter Lane, London, EC4A 1NL
~~{or...}~~

Delete as applicable and insert the relevant details as necessary. Where signing on behalf of a body see also rule 1.5(3) of the IR 2016. (The petition may be authenticated in a separate witness statement: see rule 7.6 of the IR 2016)

STATEMENT OF TRUTH

I, ~~the Petitioner, believe~~/The Petitioner believes that the facts stated in this petition are true.

Signed: 

Dated: 21/2/19

I, the above-signed, not being a petitioner herein, state as follows:

My name is Russell Hill

My postal address is Rutland House, 148 Edmund Street, Birmingham, B3 2JR

The capacity in which and authority by which I have authenticated the statement are as solicitor for the petitioner.

The means of my knowledge of the matters so verified are provided to me as solicitor for the petitioner

For court use

(Where the petition is issued by e-filing, the endorsement will normally be on the front of the petition, beneath the seal)

Endorsement by the Court

This petition was issued by the court on and will be heard at:

Place

Date

Time

(or as soon thereafter as the petition can be heard)



14 February 2019

By post and email: Benjamin@londonblockexchange.com

London Block Exchange Ltd
Kemp House,
160 City Road,
London,
United Kingdom,
EC1V 2NX

Squire Patton Boggs (UK) LLP
Rutland House
148 Edmund Street
Birmingham
B3 2JR
United Kingdom
DX 708610 Birmingham 17

O +44 121 222 3000
F +44 121 222 3001
squirepattonboggs.com

Russ Hill
T +44 121 222 3132
DF +44 870 458 2943
russell.hill@squirepb.com

Dear Sirs,

Final demand for payment of outstanding debts

Our records indicate that you owe Squire Patton Boggs (UK) LLP £9,900 plus interest of £623.54. This amounts to a total of £10,523.54 (the "Debt").

The Debt comprises amounts arising from the following two invoices (together with interest payable thereon):-

Invoice number: 2622803 Date: 29 March 2018 Amount: £2,700 (plus interest standing at £181.68). This is in connection with professional services provided in respect of financial regulation.

Invoice number: 2624225 Date: 25 April 2018 Amount: £7,700 (plus interest standing at £441.86). This is in connection with professional services provided in respect of a listing fee agreement.

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Squire Patton Boggs (UK) LLP

London Block Exchange Ltd
13 February 2019

Yours faithfully

A handwritten signature in blue ink that reads "Squire".

Squire Patton Boggs (UK) LLP

Winding-Up Petition

Rule 7.5

COMP 1

For Court use

Case No:

Delete/ complete as necessary:	[a]	IN THE HIGH COURT OF JUSTICE BUSINESS AND PROPERTY COURTS OF ENGLAND AND WALES INSOLVENCY AND COMPANIES LIST (ChD)
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(b) High Court B&PCs DR	[c]	~~IN THE HIGH COURT OF JUSTICE CHANCERY DIVISION~~
(c) Non- B&PCs DR	[d]	~~{location} DISTRICT REGISTRY IN THE COUNTY COURT AT {location}~~
(d) County Court		

Insert name of
company subject to
the petition

**IN THE MATTER OF LONDON BLOCK EXCHANGE LTD
AND IN THE MATTER OF THE INSOLVENCY ACT 1986**

(a) Insert title of
court or hearing
centre as applicable

THE COURT:
(a) To the High Court of Justice
Business and Property Courts of England and Wales
Insolvency and Companies List

(b) Insert full name(s)
and address(es) of
petitioner(s)

THE PETITIONER:
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shows as follows:

(c) Insert full name
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any) and/or other
required
identification details
of company subject
to the petition (see
also rule 1.6 of the
Insolvency (England
and Wales) Rules
2016 (IR 2016))

THE COMPANY:
(c) This petition relates to London Block Exchange Ltd
(hereinafter called "the Company").
The registered number of the Company is 10966096
[or other identification details]

(d) Insert address of
registered office or
other address as
required (see also
rule 1.6 of the IR
2016)

(d) The registered office of the company is at Kemp House, 160 City Road, London,
United Kingdom, EC1V 2NX

(e) Insert date of
incorporation and the
enactment (as
applicable); delete
where necessary

(e) The Company was incorporated on 15 September 2017
under the Companies Act 2006

(f) Enter the total

(f) The total number of issued shares of the Company is 1000

number of shares and the manner in which they are divided up. See also para 11.2(5) of the Practice Direction on Insolvency Proceedings (PDIP). Modify if Company limited by guarantee.
(g) Enter the aggregate value of the shares (see the PDIP above)
(h) Enter amount of capital paid up or credited as such (see PDIP above)
(i) Insert the nature of the Company's business (if known); see also para 11.2(6) of the PDIP
(j) Set out the grounds on which a winding-up order is sought

Which are divided up as follows: 1000 shares of £0.01 each.

(g) The aggregate nominal value of those shares is £100000000

(h) The amount of the capital paid up or credited as paid up is £100000000

(i) The principal nature of the Company's business is as follows: multi-cryptocurrency exchange000000000000

THE GROUNDS & JURISDICTION:

(j) The grounds on which the winding-up order is sought are:00000000
The Company is duly indebted to the petitioner in the sum of £9,900.00 plus total interest currently standing at £623.24 (the "Debt").00000000

The Debt comprises amounts arising from two invoices (together with interest payable thereon):-

- Invoice number: 2622803 Date: 29 March 2018 Amount: £2,700 (plus interest standing at £181.68). This is in connection with professional services provided in respect of financial regulation.00000000
- Invoice number: 2624225 Date: 25 April 2018 Amount: £7,700 (plus interest standing00000000 at £441.86). This is in connection with professional services provided in respect of a00000000 listing fee agreement.

Demands for payment have been made and the invoices remain outstanding.

On 14 February 2019 a final demand for payment was sent to the Company by post and email requiring payment of the Debt due by close of business on Friday 15 February 2019 (annexed to this petition at Annex A). Payment was not made within this timeframe. The petitioner therefore reasonably believes that the Company is unable to pay its debts as they fall due000000

(k) Where the ground is section 122(1)(a) of the Insolvency Act 1986 (IA 1986) (Delete if not applicable)
(l) Where the ground is sections 122(1)(f) or 221(5)(b) of the IA 1986 (Delete if not applicable)
If more than 4 months have elapsed, this must be explained

~~{(k) The Company has been special resolution dated [date] resolved that the company be wound up by the court.}~~

~~{(l) A statutory demand was served on the company on00000000 and the Company is insolvent and unable to pay its debts.00000000}~~

[More than 4 months have elapsed between the service of the statutory demand and the presentation of this petition; the reasons for such delay are set out in the witness statement of [name] filed in support hereof.]

(m) Delete as applicable (m) The Company is/is not an undertaking within Article 1.2 of the EU Regulation on Insolvency Proceedings.

(n) Insert name of witness (n) For the reasons stated in the witness statement of Russell Hill filed in support hereof, it is considered that:

Delete as applicable. the EU Regulation on Insolvency Proceedings will ~~will not~~ apply and these proceedings will be main/~~secondary or territorial~~ proceedings as defined in the EU Regulation on Insolvency Proceedings.

(o) See rule 7.5(1)(o) of the IR 2016 (o) In the circumstances it is just and equitable that the company should be wound up.

(p) Delete as applicable **THE ORDER SOUGHT:**
(p) The petitioner therefore applies for an order that:-

- (1) the Company may be wound up by the court under the Insolvency Act 1986;
- (2) that the petitioner's costs be paid from the assets of the Company; or
- (3) such other order may be made as the court thinks just.

(q) If the company is the petitioner, delete "the company". Add the full name and address of any other person on whom it is intended to serve this petition

ADDRESSES:
(q) It is intended to serve this petition on:

- (1) the Company
- ~~(2)~~ [...]

(r) Delete as applicable

(r) The full contact details of the petitioner's solicitor is:

Name: Squire Patton Boggs (UK) LLP

Tel.: 01212223132

Email: Russell.hill@squirepb.com

Reference:

This is the address that the court will use for all communications to the Petitioner until notified otherwise in writing
Insert name and address of the court (and if necessary the district registry) in which the petition is issued

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~~{or...}~~

Delete as applicable and insert the relevant details as necessary.
Where signing on behalf of a body see also rule 1.5(3) of the IR 2016.
(The petition may be authenticated in a separate witness statement: see rule 7.6 of the IR 2016)

STATEMENT OF TRUTH

~~I, the Petitioner, believe~~/The Petitioner believes that the facts stated in this petition are true.

Signed:

Dated:

I, the above-signed, not being a petitioner herein, state as follows:

My name is Russell Hill

My postal address is Rutland House, 148 Edmund Street, Birmingham, B3 2JR

The capacity in which and authority by which I have authenticated the statement are as solicitor for the petitioner.

The means of my knowledge of the matters so verified are provided to me as solicitor for

the petitioner

For court use

(Where the petition is issued by e-filing, the endorsement will normally be on the front of the petition, beneath the seal)

Endorsement by the Court

This petition was issued by the court on
and will be heard at:

Place

Date

Time

(or as soon thereafter as the petition can be heard)

IN THE HIGH COURT OF JUSTICE
BUSINESS AND PROPERTY COURTS
INSOLVENCY AND COMPANIES LIST (ChD)

Petitioner
Russell Hill

IN THE MATTER OF LONDON BLOCK EXCHANGE LTD
AND IN THE MATTER OF THE INSOLVENCY ACT 1986

Exhibit(s): RH1
Date: 21/2/2019
Court Reference No. of 2019

BETWEEN

SQUIRE PATTON BOGGS (UK) LLP Applicant/Petitioner

and

LONDON BLOCK EXCHANGE LTD Respondent/Company

FIRST WITNESS STATEMENT OF RUSSELL HILL

I, **RUSSELL HILL**, a solicitor of Squire Patton Boggs (UK) LLP, Rutland House, 148 Edmund Street, Birmingham, B3 2JR will say as follows:

1. I am duly authorised by the Petitioner to verify the statements in the petition marked RH1. The statements in the Petition are made from my own knowledge except where otherwise indicated, in which case I have explained the source of my information or belief.
2. I have been concerned in the matters giving rise to the Petition and have the requisite knowledge of the matters referred to in the Petition because I am the Petitioner's solicitor and have been involved in the preparation of the Petition.
3. The statements in the Petition are true to the best of my knowledge, information and belief.
4. The Company is London Block Exchange Ltd (Company number: 10966096) with its registered office at Kemp House, 160 City Road, London, United Kingdom, EC1V 2NX.

5. The petition is to be presented in the High Court of Justice, Business and Property Courts.

6. I consider the Company's centre of main interest is at Kemp House, 160 City Road, London, United Kingdom, EC1V 2NX. Accordingly, the EU Regulation on Insolvency Proceedings will apply and these proceedings will be main proceedings.

Statement of Truth

I believe that the facts stated in this Witness Statement are true.

A handwritten signature in blue ink, appearing to read 'Russel Hill', written over a dotted line.

Full name: Russel Hill

21/2/19

On behalf of: Petitioner
Made by: Russell Hill
First statement
Exhibit: "RH1"
Made on: February 2019
Filed on: February 2019

CASE NO of 2019

IN THE HIGH COURT OF JUSTICE
BUSINESS AND PROPERTY COURTS OF ENGLAND AND WALES
INSOLVENCY AND COMPANIES LIST (ChD)

IN THE MATTER OF LONDON BLOCK EXCHANGE LTD
AND

IN THE MATTER OF THE INSOLVENCY ACT 1986

BETWEEN

SQUIRE PATTON BOGGS (UK) LLP

Petitioner

and

LONDON BLOCK EXCHANGE LTD

Respondent

EXHIBIT RH1

This is the exhibit marked **RH1** referred to in the statement of Russell Hill made
on *21 February* 2019.

Winding-Up Petition

Rule 7.5
COMP 1

For Court use

Case No:

Delete/ complete as necessary:	[a]	IN THE HIGH COURT OF JUSTICE BUSINESS AND PROPERTY COURTS OF ENGLAND AND WALES INSOLVENCY AND COMPANIES LIST (ChD)
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(d) County Court		

Insert name of
company subject to
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**IN THE MATTER OF LONDON BLOCK EXCHANGE LTD
AND IN THE MATTER OF THE INSOLVENCY ACT 1986**

(a) Insert title of
court or hearing
centre as applicable

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(a) To the High Court of Justice
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(b) The petition of Squire Patton Boggs (UK) LLP of 7 Devonshire Square, Cutlers Gardens,
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(h) Enter amount of capital paid up or credited as such (see PDIP above)
(i) Insert the nature of the Company's business (if known); see also para 11.2(6) of the PDIP
(j) Set out the grounds on which a winding-up order is sought

Which are divided up as follows: 1000 shares of £0.01 each.

(g) The aggregate nominal value of those shares is £10

(h) The amount of the capital paid up or credited as paid up is £10

(i) The principal nature of the Company's business is as follows: multi-cryptocurrency exchange

THE GROUNDS & JURISDICTION:

(j) The grounds on which the winding-up order is sought are:

The Company is duly indebted to the petitioner in the sum of £9,900.00 plus total interest currently standing at £640.90 (the "Debt").

The Debt comprises amounts arising from two invoices (together with interest payable thereon):-

1. Invoice number 2622803, dated 29 March 2018 in the sum of £2,700 (plus interest standing at £186.41). This is in connection with professional services provided in respect of financial regulation.

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If more than 4 months have elapsed,

~~[(k) The Company has been special resolution dated {date} resolved that the company be wound up by the court.]~~

~~[(l) A statutory demand was served on the company on and the Company is insolvent and unable to pay its debts.~~

~~[More than 4 months have elapsed between the service of the statutory demand and the presentation of this petition; the reasons for such delay are set out in the witness~~

this must be explained ~~statement of {name}~~
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- (1) the Company
- ~~(2)~~ {...}

(r) Delete as applicable (r) The full contact details of the petitioner's solicitor is:
Name: Squire Patton Boggs (UK) LLP
Rutland House, 148 Edmund Street, Birmingham, B3 2JR
Tel.: 01212223132
Email: Russell.hill@squirepb.com
Reference: RH13

Insert name and address of the court (and if necessary the district registry) in which the petition is issued The Court's address is: The High Court of Justice, Rolls Building, 7 Rolls Buildings, Fetter Lane, London, EC4A 1NL
~~{or...}~~

Delete as applicable and insert the relevant details as necessary. **STATEMENT OF TRUTH**

Where signing on behalf of a body see also rule 1.5(3) of the IR 2016. I, ~~the Petitioner, believe~~/The Petitioner believes that the facts stated in this petition are true.

(The petition may be authenticated in a separate witness statement: see rule 7.6 of the IR 2016) Signed 

Dated: 21/2/19

I, the above-signed, not being a petitioner herein, state as follows:

My name is Russell Hill

My postal address is Rutland House, 148 Edmund Street, Birmingham, B3 2JR

The capacity in which and authority by which I have authenticated the statement are as solicitor for the petitioner.

The means of my knowledge of the matters so verified are provided to me as solicitor for the petitioner

For court use

(Where the petition is issued by e-filing, the endorsement will normally be on the front of the petition, beneath the seal)

Endorsement by the Court

This petition was issued by the court on
and will be heard at:

Place

Date

Time

(or as soon thereafter as the petition can be heard)



14 February 2019

By post and email: Benjamin@londonblockexchange.com

London Block Exchange Ltd
Kemp House,
160 City Road,
London,
United Kingdom,
EC1V 2NX

Squire Patton Boggs (UK) LLP
Rutland House
148 Edmund Street
Birmingham
B3 2JR
United Kingdom
DX 708610 Birmingham 17

O +44 121 222 3000
F +44 121 222 3001
squirepattonboggs.com

Russ Hill
T +44 121 222 3132
DF +44 870 458 2943
russell.hill@squirepb.com

Dear Sirs,

Final demand for payment of outstanding debts

Our records indicate that you owe Squire Patton Boggs (UK) LLP £9,900 plus interest of £623.54. This amounts to a total of £10,523.54 (the "Debt").

The Debt comprises amounts arising from the following two invoices (together with interest payable thereon):-

Invoice number: 2622803 Date: 29 March 2018 Amount: £2,700 (plus interest standing at £181.68). This is in connection with professional services provided in respect of financial regulation.

Invoice number: 2624225 Date: 25 April 2018 Amount: £7,700 (plus interest standing at £441.86). This is in connection with professional services provided in respect of a listing fee agreement.

Interest continues to accrue at a daily rate of £2.17.

The Debt is overdue and payable immediately.

We hereby demand immediate payment of the Debt in full without further delay and in cleared funds to Lloyds Bank Plc, Sort Code: 30-00-05. Account number: 00200399. Please quote the reference RH13/LON.333-0001

If we have not received payment of the Debt by 5pm on 15 February 2019, we reserve the right to take such further action as we see fit, without further recourse to you, which may include the presentation of the attached draft winding up petition.

We trust that this will not be necessary and look forward to receiving payment by return.

47 Offices in 20 Countries

Squire Patton Boggs is the trade name of Squire Patton Boggs (UK) LLP, a Limited Liability Partnership registered in England and Wales with number OC 335584 authorised and regulated by the Solicitors Regulation Authority. A list of the members and their professional qualifications is open to inspection at 7 Devonshire Square, London, EC2M 4YH. The status "partner" denotes either a member or an employee or consultant who has equivalent standing and qualifications.

Squire Patton Boggs (UK) LLP is part of the international legal practice Squire Patton Boggs, which operates worldwide through a number of separate legal entities.

Please visit squirepattonboggs.com for more information.





Squire Patton Boggs (UK) LLP

London Block Exchange Ltd
13 February 2019

Yours faithfully

A handwritten signature in blue ink that reads "Squire Patton Boggs" in a cursive, flowing script.

Squire Patton Boggs (UK) LLP

Winding-Up Petition

Rule 7.5
COMP 1

For Court use

Case No:

Delete/
complete as
necessary:

(a) High
Court,
London

(b) High Court
B&PCs DR

(c) Non-
B&PCs DR

(d) County
Court

[a]

[b]

[c]

[d]

**IN THE HIGH COURT OF JUSTICE
BUSINESS AND PROPERTY COURTS OF ENGLAND AND WALES
INSOLVENCY AND COMPANIES LIST (ChD)**

~~**{IN THE HIGH COURT OF JUSTICE
BUSINESS AND PROPERTY COURTS IN {location}
INSOLVENCY AND COMPANIES LIST (ChD)}**~~

~~**{IN THE HIGH COURT OF JUSTICE
CHANCERY DIVISION**~~

~~**{location} DISTRICT REGISTRY**~~

~~**{IN THE COUNTY COURT AT {location}}**~~

Insert name of
company subject to
the petition

**IN THE MATTER OF LONDON BLOCK EXCHANGE LTD
AND IN THE MATTER OF THE INSOLVENCY ACT 1986**

(a) Insert title of
court or hearing
centre as applicable

THE COURT:

(a) To the High Court of Justice
Business and Property Courts of England and Wales
Insolvency and Companies List

(b) Insert full name(s)
and address(es) of
petitioner(s)

THE PETITIONER:

(b) The petition of Squire Patton Boggs (UK) LLP of 7 Devonshire Square, Cutlers Gardens,
London, EC2M 4YH (the "Petitioner")
shows as follows:

(c) Insert full name
and registered no. (if
any) and/or other
required
identification details
of company subject
to the petition (see
also rule 1.6 of the
Insolvency (England
and Wales) Rules
2016 (IR 2016))

THE COMPANY:

(c) This petition relates to London Block Exchange Ltd
(hereinafter called "the Company").
The registered number of the Company is 10966096
[or other identification details]

(d) Insert address of
registered office or
other address as
required (see also
rule 1.6 of the IR
2016)

(d) The registered office of the company is at Kemp House, 160 City Road, London,
United Kingdom, EC1V 2NX

(e) Insert date of
incorporation and the
enactment (as
applicable); delete
where necessary

(e) The Company was incorporated on 15 September 2017
under the Companies Act 2006

(f) Enter the total

(f) The total number of issued shares of the Company is 1000

number of shares and the manner in which they are divided up. See also para 11.2(5) of the Practice Direction on Insolvency Proceedings (PDIP). Modify if Company limited by guarantee.
(g) Enter the aggregate value of the shares (see the PDIP above)
(h) Enter amount of capital paid up or credited as such (see PDIP above)
(i) Insert the nature of the Company's business (if known); see also para 11.2(6) of the PDIP
(j) Set out the grounds on which a winding-up order is sought

Which are divided up as follows: 1000 shares of £0.01 each.

(g) The aggregate nominal value of those shares is £10

(h) The amount of the capital paid up or credited as paid up is £10

(i) The principal nature of the Company's business is as follows: multi-cryptocurrency exchange

THE GROUNDS & JURISDICTION:

(j) The grounds on which the winding-up order is sought are:

The Company is duly indebted to the petitioner in the sum of £9,900.00 plus total interest currently standing at £623.24 (the "Debt").

The Debt comprises amounts arising from two invoices (together with interest payable thereon):-

- Invoice number: 2622803 Date: 29 March 2018 Amount: £2,700 (plus interest standing at £181.68). This is in connection with professional services provided in respect of financial regulation.
- Invoice number: 2624225 Date: 25 April 2018 Amount: £7,700 (plus interest standing at £441.86). This is in connection with professional services provided in respect of a listing fee agreement.

Demands for payment have been made and the invoices remain outstanding.

On 14 February 2019 a final demand for payment was sent to the Company by post and email requiring payment of the Debt due by close of business on Friday 15 February 2019 (annexed to this petition at Annex A). Payment was not made within this timeframe. The petitioner therefore reasonably believes that the Company is unable to pay its debts as they fall due.

(k) Where the ground is section 122(1)(a) of the Insolvency Act 1986 (IA 1986) (Delete if not applicable)
(l) Where the ground is sections 122(1)(f) or 221(5)(b) of the IA 1986 (Delete if not applicable)
If more than 4 months have elapsed, this must be explained

~~[(k) The Company has by special resolution dated [date] resolved that the company be wound up by the court.]~~

~~[(l) A statutory demand was served on the company on [date] and the Company is insolvent and unable to pay its debts.]~~

~~[More than 4 months have elapsed between the service of the statutory demand and the presentation of this petition; the reasons for such delay are set out in the witness statement of [name] filed in support hereof.]~~

(m) Delete as applicable

(m) The Company is/is not an undertaking within Article 1.2 of the EU Regulation on Insolvency Proceedings.

(n) Insert name of witness

(n) For the reasons stated in the witness statement of Russell Hill filed in support hereof, it is considered that:

Delete as applicable.

- the EU Regulation on Insolvency Proceedings will/will not apply and
- these proceedings will be main/secondary or territorial proceedings as defined in the EU Regulation on Insolvency Proceedings.

(o) See rule 7.5(1)(o) of the IR 2016

(o) In the circumstances it is just and equitable that the company should be wound up.

(p) Delete as applicable

THE ORDER SOUGHT:

(p) The petitioner therefore applies for an order that:-

- (1) the Company may be wound up by the court under the Insolvency Act 1986;
- (2) that the petitioner's costs be paid from the assets of the Company; or
- (3) such other order may be made as the court thinks just.

(q) If the company is the petitioner, delete "the company". Add the full name and address of any other person on whom it is intended to serve this petition

ADDRESSES:

(q) It is intended to serve this petition on:

- (1) the Company
- (2) ~~the Company~~

(r) Delete as applicable

(r) The full contact details of the petitioner's solicitor is:

Name: Squire Patton Boggs (UK) LLP

Tel.: 01212223132

Email: Russell.hill@squirepb.com

Reference:

This is the address that the court will use for all communications to the Petitioner until notified otherwise in writing
Insert name and address of the court (and if necessary the district registry) in which the petition is issued

The Court's address is: The High Court of Justice, Rolls Building, 7 Rolls Buildings, Fetter Lane, London, EC4A 1NL
~~(or...)~~

Delete as applicable and insert the relevant details as necessary.
Where signing on behalf of a body see also rule 1.5(3) of the IR 2016.

STATEMENT OF TRUTH

I, the Petitioner, believe/The Petitioner believes that the facts stated in this petition are true.

Signed:

Dated:

I, the above-signed, not being a petitioner herein, state as follows:

My name is Russell Hill

My postal address is Rutland House, 148 Edmund Street, Birmingham, B3 2JR

The capacity in which and authority by which I have authenticated the statement are as solicitor for the petitioner.

The means of my knowledge of the matters so verified are provided to me as solicitor for

the petitioner

For court use

(Where the petition is issued by e-filing, the endorsement will normally be on the front of the petition, beneath the seal)

Endorsement by the Court

This petition was issued by the court on
and will be heard at:

Place

Date

Time

(or as soon thereafter as the petition can be heard)

DRAFT

IN THE HIGH COURT OF JUSTICE
BUSINESS AND PROPERTY COURTS
INSOLVENCY AND COMPANIES LIST (ChD)

Petitioner

Russell Hill

1

IN THE MATTER OF LONDON BLOCK EXCHANGE LTD
AND IN THE MATTER OF THE INSOLVENCY ACT 1986

Exhibit(s): RH1

Date: 21/2/2019

Court Reference No. of 2019

BETWEEN

SQUIRE PATTON BOGGS (UK) LLP Applicant/Petitioner

and

LONDON BLOCK EXCHANGE LTD Respondent/Company

FIRST WITNESS STATEMENT OF RUSSELL HILL

I, **RUSSELL HILL**, a solicitor of Squire Patton Boggs (UK) LLP, Rutland House, 148 Edmund Street, Birmingham, B3 2JR will say as follows:

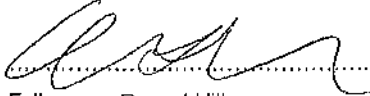
1. I am duly authorised by the Petitioner to verify the statements in the petition marked RH1. The statements in the Petition are made from my own knowledge except where otherwise indicated, in which case I have explained the source of my information or belief.
2. I have been concerned in the matters giving rise to the Petition and have the requisite knowledge of the matters referred to in the Petition because I am the Petitioner's solicitor and have been involved in the preparation of the Petition.
3. The statements in the Petition are true to the best of my knowledge, information and belief.
4. The Company is London Block Exchange Ltd (Company number: 10966096) with its registered office at Kemp House, 160 City Road, London, United Kingdom, EC1V 2NX.

5. The petition is to be presented in the High Court of Justice, Business and Property Courts,

6. I consider the Company's centre of main interest is at Kemp House, 160 City Road, London, United Kingdom, EC1V 2NX. Accordingly, the EU Regulation on Insolvency Proceedings will apply and these proceedings will be main proceedings.

Statement of Truth

I believe that the facts stated in this Witness Statement are true.

A handwritten signature in black ink, appearing to read 'Russel Hill', written over a dotted line.

Full name: Russel Hill

Dated 21/2/19.



THE
GAZETTE
OFFICIAL PUBLIC RECORD

Published by Authority | Est 1665

Notice details

Type:

Corporate Insolvency
> Petitions to Wind Up (Companies)

Earliest publish date:

19 March 2019

Edition:

The London Gazette

Notice ID:

3236027

Company number:

10966096

Notice code:

2450

Issue number:

62592

Page number:

5001

About Petitions to Wind Up
(Companies) notices

Petitions to Wind Up (Companies)

In the High Court of Justice

CR-2019-CR-2019-001356

In the matter of **LONDON BLOCK EXCHANGE LTD**

Trading As: LONDON BLOCK EXCHANGE LTD,

and in the Matter of the Insolvency Act 1986,

A Petition to wind up the above-named company of LONDON BLOCK EXCHANGE LTD (10966096) of Kemp House, 160 City Road, London EC1V 2NX, whose nature of business is Cryptocurrency Exchange, presented on Monday 25 February 2019, at 12:00 by SQUIRE PATTON BOGGS (UK) LLP, of 7 Devonshire Square, Cutlers Gardens, London EC2M 4YH claiming to be a Creditor of the Company, will be heard at the High Court of Justice, Rolls Building, Fetter Lane, London EC4A 1NL on Wednesday 10 April 2019, at 10:30 (or as soon thereafter as the Petition can be heard).

Any person intending to appear on the hearing of the Petition (whether to support or oppose it) must give notice of intention to do so to the Petitioners or to their Solicitor in accordance with Rule 7.14 by 16:00 hours on Tuesday 09 April 2019

The Petitioner's Solicitor is Russell Hill, Rutland House, 148 Edmund Street, Birmingham B3 2JR., Telephone: 0121 222 3132, Email: russell.hill@squirepb.com (Reference number: RH13/HAM.150-0220.)

Notice timeline for DRAGON PAYMENTS LTD (10966096)

Petitions to Wind Up (Companies)

19/03/2019

Winding-Up Orders

06/02/2020

Appointment of Liquidators

24/02/2020

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Winding-Up Petition

Rule 7.5
COMP 1

For Court use

Case No: CR-2019-001358
Hearing Date: 10 Apr 2019 10:30
In the Rolls
Building

Delete/ complete as necessary:	(a)	IN THE HIGH COURT OF JUSTICE BUSINESS AND PROPERTY COURTS OF ENGLAND AND WALES INSOLVENCY AND COMPANIES LIST (ChD)
(a) High Court, London	(b)	~~IN THE HIGH COURT OF JUSTICE BUSINESS AND PROPERTY COURTS IN [location] INSOLVENCY AND COMPANIES LIST (ChD)]~~
(b) High Court B&PCs OR	(c)	~~IN THE HIGH COURT OF JUSTICE CHANCERY DIVISION~~
(c) Non- B&PCs OR	(d)	~~[location] DISTRICT REGISTRY IN THE COUNTY COURT AT [location]~~
(d) County Court	(e)	

Insert name of
company subject to
the petition

IN THE MATTER OF LONDON BLOCK EXCHANGE LTD
AND IN THE MATTER OF THE INSOLVENCY ACT 1986

(a) Insert title of
court or hearing
centre as applicable

THE COURT:
(a) To the High Court of Justice
Business and Property Courts of England and Wales
Insolvency and Companies List (ChD)

(b) Insert full name(s)
and address(es) of
petitioner(s)

THE PETITIONER:
(b) The petition of Squire Patton Boggs (UK) LLP of 7 Devonshire Square, Cutlers Gardens,
London, EC2M 4YH (the "Petitioner")
shows as follows:

(c) Insert full name
and registered no. (if
any) and/or other
required
identification details
of company subject
to the petition (see
also rule 3.6 of the
Insolvency (England
and Wales) Rules
2016 (IR 2016))

THE COMPANY:
(c) This petition relates to London Block Exchange Ltd
(hereinafter called "the Company").
The registered number of the Company is 10966096
[or other identification details]

(d) Insert address of
registered office or
other address as
required (see also
rule 1.6 of the IR
2016)

(d) The registered office of the company is at Kemp House, 160 City Road, London,
United Kingdom, EC1V 2NX

(e) Insert date of
incorporation and the
enactment (as
applicable); delete
where necessary

(e) The Company was incorporated on 15 September 2017
under the Companies Act 2006

(f) Enter the total

(f) The total number of issued shares of the Company is 1000

number of shares and the manner in which they are divided up. See also para 11.2(5) of the Practice Direction on Insolvency Proceedings (PDIP). Modify if Company limited by guarantee.
 (g) Enter the aggregate value of the shares (see the PDIP above)
 (h) Enter amount of capital paid up or credited as such (see PDIP above)
 (i) Insert the nature of the Company's business (if known); see also para 11.2(6) of the PDIP
 (j) Set out the grounds on which a winding-up order is sought

Which are divided up as follows: 1000 shares of £0.01 each.

(g) The aggregate nominal value of those shares is £10

(h) The amount of the capital paid up or credited as paid up is £10

(i) The principal nature of the Company's business is as follows: multi-cryptocurrency exchange

THE GROUNDS & JURISDICTION:

(j) The grounds on which the winding-up order is sought are:

The Company is duly indebted to the petitioner in the sum of £9,900.00 plus total interest currently standing at £640.90 (the "Debt").

The Debt comprises amounts arising from two invoices (together with interest payable thereon):-

1. Invoice number 2622803, dated 29 March 2018 in the sum of £2,700 (plus interest standing at £186.41). This is in connection with professional services provided in respect of financial regulation.

2. Invoice number 2624225 dated 25 April 2018 in the sum of £7,200 (plus interest standing at £454.49). This is in connection with professional services provided in respect of a listing fee agreement.

Demands for payment have been made but the invoices remain outstanding.

On 14 February 2019, a final demand for payment was sent by the Petitioner to the Company by post and email requiring payment of the Debt due by close of business on Friday 15 February 2019 (annexed to this petition at Annex A). Receipt of this final demand was acknowledged but the debt remains unpaid. The petitioner therefore reasonably believes that the Company is unable to pay its debts as they fall due.

(k) Where the ground is section 122(1)(a) of the Insolvency Act 1986 (IA 1986) (Delete if not applicable)
 (l) Where the ground is sections 122(1)(f) or 221(5)(b) of the IA 1986 (Delete if not applicable) if more than 4 months have elapsed,

~~{(k) The Company has by special resolution dated [date] resolved that the company be wound up by the court.}~~

~~{(l) A statutory demand was served on the company on [date] and the Company is insolvent and unable to pay its debts.}~~

{More than 4 months have elapsed between the service of the statutory demand and the presentation of this petition; the reasons for such delay are set out in the witness

this must be explained

statement of ~~(name)~~
filed in support hereof.]

(m) Delete as applicable

(m) The Company ~~is~~ is not an undertaking within Article 1.2 of the EU Regulation on Insolvency Proceedings.

(n) insert name of witness

(n) For the reasons stated in the witness statement of Russell Hill filed in support hereof, it is considered that:

Delete as applicable.

- the EU Regulation on Insolvency Proceedings will/will not apply and
- these proceedings will be main/secondary or territorial proceedings as defined in the EU Regulation on Insolvency Proceedings.

(o) See rule 7.5(1)(o) of the IR 2016

(o) In the circumstances it is just and equitable that the company should be wound up.

(p) Delete as applicable

THE ORDER SOUGHT:

(p) The petitioner therefore applies for an order that:-

- (1) the Company may be wound up by the court under the Insolvency Act 1986;
- (2) that the petitioner's costs be paid from the assets of the Company; or
- (3) such other order may be made as the court thinks just.

(q) If the company is the petitioner, delete "the company". Add the full name and address of any other person on whom it is intended to serve this petition

ADDRESSES:

(q) It is intended to serve this petition on:

- (1) the Company
- (2) ~~[...]~~

(r) Delete as applicable

(r) The full contact details of the petitioner's solicitor is:

Name: Squire Patton Boggs (UK) LLP

Rutland House, 148 Edmund Street, Birmingham, B3 2JR

Tel.: 01212223132

Email: Russell.hill@squirepb.com

Reference: RH13

Insert name and address of the court (and if necessary the district registry) in which the petition is issued

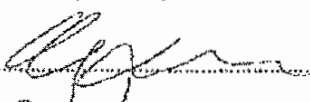
The Court's address is: The High Court of Justice, Rolls Building, 7 Rolls Buildings, Fetter Lane, London, EC4A 1NL

~~{OF-}~~

Delete as applicable and insert the relevant details as necessary.

STATEMENT OF TRUTH

~~I, the Petitioner, believe~~ The Petitioner believes that the facts stated in this petition are true.

Signed: 

Dated: 21/2/19

I, the above-signed, not being a petitioner herein, state as follows:

My name is Russell Hill

My postal address is Rutland House, 148 Edmund Street, Birmingham, B3 2JR

Where signing on behalf of a body see also rule 1.5(3) of the IR 2016.
(The petition may be authenticated in a separate witness statement: see rule 7.6 of the IR 2016)

The capacity in which and authority by which I have authenticated the statement are as solicitor for the petitioner.

The means of my knowledge of the matters so verified are provided to me as solicitor for the petitioner

For court use

{Where the petition is issued by e-filing, the endorsement will normally be on the front of the petition, beneath the seal}

Endorsement by the Court

This petition was issued by the court on
and will be heard at:

Place

Date

Time

(or as soon thereafter as the petition can be heard)

SCHEDULE OF COSTS PRECEDENTS
PRECEDENT J



IN THE HIGH COURT OF JUSTICE

Claim No _____

SENIOR COURTS COSTS OFFICE

IN THE MATTER OF Squire Patton Boggs UK LLP (Solicitors)

Claimant: LONDON BLOCK EXCHANGE LTD

Defendant: SQUIRE PATTON BOGGS UK LLP (SOLICITORS)



CLAIM FORM (CPR Part 8)

Details of claim (see also overleaf)

The following Orders are applied for:

- (1) An Order for a Hearing to be fixed to determine whether any terms of a retainer exist between parties.
- (2) An Order in standard form for the delivery of Bill of Costs in all cases and matters, if any such retainer exists between parties in which the Defendant has acted for the Claimant.
- (3) An Order that the Winding up Petition issued and advertised by the Defendant be stayed and or be dismissed pending the outcome of these proceedings.
- (4) An order dealing with the costs of this application.

Defendant's name and address:

Squire Patton Boggs UK LLP (Solicitors)
Rutland House, 148 Edmund Street
Birmingham B3 2JR

Court fee
Solicitor's Cost
Issue date

The court office at the Senior Courts Costs Office is open between 10.00 am and 4.30 pm, Monday to Friday, when corresponding with the court, please address forms or letters to the Court Manager and

[Claim No.]

Details of claim (continued)

The Defendant has issued and rendered 2 invoices in the total sum of if £9,900 as follows:

(1) a Invoice number 2622803, Date: 29th March 2018, amount of £2,700 said to be for professional services provided in respect of financial regulation.

(2) a Invoice number: 2624225, dated 25th April 2018, amount: £7,700 said to be for professional services provided in respect of a listing fee agreement.

No detail has been provided as to how these invoices have been calculated and they do not comply with section 69 of the 1974 Solicitors Act and do not constitute a Final Solicitors' Bill under the 1974 Solicitors Act. A Final Solicitors' Bill under the Act has been requested from the Defendant for all monies, but it has not been issued and the Defendant has not confirmed that it is willing to issue it despite requests. It appears that the Claimant now requests further solicitors' fees.

The Defendant has made an application to wind up the Claimant on the basis of unpaid invoices for its solicitors' fees. The Defendant has advertised the Winding up Petition in the Gazette and the Hearing is listed on 11th April 2019 in the High Court of Justice under case number CR-2019-001356.

There is doubt as to whether there has ever been and continues a proper and complete retainer between parties.

Statement of Truth

*(I believe) (The Claimant believes) that the facts stated in these particulars of claim are true.

*I am duly authorised by the Claimant to sign this statement.

Full name Raf Demczuk, W LEGAL Ltd.....

Name of Claimant's solicitor's firm W LEGAL Ltd

Signed  position or office held ...Member, W Legal Ltd.....

*(Claimant) (Litigation friend) (Claimant's solicitor) (if signing on behalf of firm or company)

*delete as appropriate

Claimant's or claimant's solicitor's address to which documents should be sent if different from overleaf. If you are prepared to accept service by DX, fax or e-mail, please add details.

Ref. RD
W LEGAL Ltd
47 Red Lion Street
London WC1R 4PF

Our Ref:
Our Ref: PC/AS/JC/LBX1
Your Ref:
Your Ref:

David Rubin & Partners
Chartered Accountants • Licensed Insolvency Practitioners

Mr Benjamin Dives
Kemp House
160 City Road
London
EC1V 2NX

26-28 Bedford Row
London WC1R 4HE

DX 267 LONDON/CHANCERY LANE

Telephone: 020 7400 7900
Facsimile: 020 7242 3233
E-Mail: [addressee]@drpartners.com
Website: www.drpartners.com

8 April 2019

Dear Benjamin

LONDON BLOCK EXCHANGE LTD ("THE COMPANY")
COMPANY REGISTRATION NUMBER 10966096

I refer to our previous meetings and correspondence with regard to the above Company.

You have previously provided me with the following documents:

1. Company Organigram;
2. Latest profit and loss and balance sheet from Xero;
3. A detailed list of the Company's creditors (attached at Appendix 2);
4. LBX Pay Investor Deck;
5. An E-Money Report for Agents (Week 12); and
6. Exchange Activity Report (Week 12).

Company Background

The Company was incorporated on 15 September 2017. You are the sole Director and own 24.5% of the Company. Johnny Sandelson owns the remaining 75.5% and has been the major funder since start up.

The Company's stated aim is to become the backbone of blockchain payments for businesses looking to be able to switch between the utilisation of fiat and digital assets. It holds banking relationships and e-Money balances through software provided by LCX.

As is common with most start-ups, particularly in the rapidly evolving and ground breaking field of digital assets, there has been the requirement for significant investment in the Company whilst the concept is proven and trading infrastructure is built to allow revenue targets to be achieved.

The Company currently has raised circa £4m in investment, predominately in the form of loan rather than equity finance. It has put all this investment to work and currently requires significant further investment to continue its development.

Creditor duress has increased in recent weeks, culminating in Squire Patton Boggs issuing a winding up petition, which is due to be heard on Wednesday 10 April 2019. My understanding is that the liability has been settled in full and the Order to wind the Company up will not be made. Other creditors are also pressing for payment.

I have also spoken with Nick Andrews of MPAC, who has a detailed understanding of the regulatory aspects of the Company given the existence and treatment of client funds.

My understanding is that retail client funds are funds held for individuals, accounts are also held for institutional clients and OTC client funds are funds held for businesses on deposit before a trade. Funds held total circa £1.8m.

All advice provided below assumes that the relevant regulatory framework continues to be fully complied with and that all client funds are properly ring fenced, protected and held on trust for clients.

Current State of Affairs

I will now summarise the Company's financial position from the information that you have provided to me to date.

An Estimated Statement of Affairs has been prepared and is attached at Appendix 1.

The current assets of the Company consist of computer and office equipment, intangible assets, including trademarks, domains, software license and intellectual property, some small trade debtors and a VAT refund.

The liabilities of the Company are trade creditors in the sum of circa £1.8m (detailed in Appendix 2) and loans in the sum of circa £4m. These are set out below.

Non-Current Liabilities	
Adam Bryant Loan Acct	£24,100.00
Benjamin Dives Loan Acct	£54,042.02
Johnny Commonwealth Loan Acct	£824,754.13
Johnny Sandelson Loan Acct	£2,642,540.84
Jono McLeod Loan Acct	£395,483.74
Jose Neif Loan Account	£154,532.46
<u>Total Non-Current Liabilities</u>	<u>£4,095,453.19</u>

In addition to this HMRC are owed in the region of £100k. The total potential liabilities of the Company are £6m.

I understand that your biggest lender, Johnny Sandelson is considering whether he wishes to continue to fund this entity or whether it is optimal for him and his consortium to have the potential to fund an alternative entity given the precarious financial position.

Advice

In the absence of further immediate funding the Company is technically insolvent on a liquidity and balance sheet basis. My advice therefore is that unless there is a significant injection of capital, which must be greater than simply enough to settle short term or immediate liabilities, you should take steps to place the Company into Liquidation or Administration. I do not advise a Company Voluntary Arrangement for the following reasons:

1. You will need to obtain 75% of all unconnected creditors (not including Johnny Sandelson) to agree to any proposal. Therefore a number of creditors could potentially block this if they are not happy with their potential pence in the £ dividend;
2. I cannot see you being able to offer the required incentive to creditors in the next 1 to 2 years that will allow the Proposal to be accepted;
3. A CVA wont resolve the current overleverage of the Company; and
4. The impact on reputation of having LBX – in Company Voluntary Arrangement on your website and on your invoices in the financial services space is untenable in my view given the industry sector you operate in.

Liquidation

If the Company was to proceed into liquidation, the value of the assets would be significantly impaired. Under those circumstances, there may be some doubt as to whether the creditors would be paid anything, and the significant sums of money invested by you into this product over the years would almost certainly be lost in a liquidation.

Ove the last two years you have worked hard to turn your vision into a reality. You are in the process of building out infrastructure and there is the potential for significant value creation here. I do not believe that liquidation should be the process of choice in this instance. In my view there is a core business that will prove attractive to a purchaser and you should endeavour to attempt a sale as a going concern or alternatively a rescue by the sale of the business through an Administration.

Administration

As discussed, it would be my strong recommendation that the Company is placed into Administration. Unfortunately, as there is a lack of funds, it is unlikely that an Administrator will be willing to trade on the business while it is being marketed to find a buyer. In addition, you operate in the financial services sector where trust and security are key. Clients confidence would be adversely affected by the Company going into Administration and would most likely look to transfer funds, which may create a “run type situation”. Taking all these issues into consideration, my recommendation is that you continue trading, without worsening the position of creditors, whilst the business is being marketed.

If you are agreeable to this, I will recommend an expert valuer and agent who is experienced in the insolvency field to attend upon you and to value and market the business. It is hoped that a purchaser could be found within two to three weeks.

If a buyer is found, then the Company will be placed into Administration and immediately thereafter the Administrator effect the sale. This is a common process and is known as a pre-packaged sale Administration.

I set out below the steps necessary to complete this process together with the approximate timetable.

1. Once you have read and digested the contents of this report, should you choose to proceed and to use this firm I would require a short email confirming your understanding of the process and instructing me to start work. I will require £40,000 plus VAT, which can be paid from the Company's current resources if available or from third parties.
2. I enclose herewith a schedule of information that is still outstanding. As you are aware my team and I have already spent a significant amount of time preparing the statutory Statement of Affairs of the Company for us to be able to consider whether the Administration of LBX Limited will satisfy one or more of the objectives of Administration as set out in the Legislation.
3. We would then instruct specialist valuers to visit you at your premises and to prepare a detailed report and valuation of the Company's business and assets, including intellectual property. The Agents will prepare a Report of his valuation and I will then discuss with him the viability of selling the business as a going concern and the likelihood of finding a buyer within a short space of time. Once, I am satisfied that there is a saleable business which will produce a better return for creditors than in a liquidation, I will start the first process of the Administration. These agents costs would be met from the £40k detailed above.
4. I will need to understand the position with regard to secured creditors. Johnny Sandelson mentioned that he was a secured creditor but I do not see any security registered at Companies House. If there are secured creditors you may need to lodge in Court a Notice of Intention to Appoint an Administrator (Form 2.8). My staff will prepare all the necessary documents for your signature and once lodge in Court it will be served on any secured creditor who will then have five days to appoint their own Administrator. Given that Johnny Sandelson is likely to be supportive to the business I don't believe this will be an issue.
5. The lodgement in Court of the Form 2.8 imposes a moratorium on all of the Company's debts and creditors, including landlords, are prevented from taking any legal action against the Company.
6. The agents have been instructed to market the business and seek the best offers to buy the business undertaking, or alternatively the business assets, as appropriate.
7. At that stage, all offers will be processed by the Agent. The offer that is accepted by our agents, and moreover deemed to be in the very best interests of the Company's existing creditors and shareholders, will be accepted.

8. We will instruct solicitors who specialise in insolvency matters to draft a Sale and Purchase Agreement between the vendor, the Company, and the purchaser. That Agreement will be reviewed by the purchasers own solicitors, and hopefully in a short period of time the final Sale and Purchase Agreement will be finalised and signed in Escrow. I estimate that this will take approximately 3 weeks or less.
9. Our solicitors will also then draft the Administration documentation, and an Application will be made to the High Court to place the Company into Administration. In this particular case, Application is likely to be a Director's Application. In this firm, it is normal practise to appoint Joint Administrators which would be myself and Paul Appleton of my firm. This is purely for practical reasons to ensure that there is always someone around to sign documents when necessary. This does not duplicate or increase the costs, but simply allows the process to be more manageable within our firm.
10. As soon as the Company is in Administration, and usually within a few hours, the Sale and Purchase Agreement is completed and the successful purchaser then owns all the business undertaking. P45s will be issued for all members of staff, which should be moved across to the new entity. The Administrators, once appointed, will then sell all the assets and collect the consideration either immediately or over a period of time (see below) and then distribute the assets of the Company to the creditors before the Company finally either goes into liquidation or is dissolved, depending on the situation at that time.
11. The secured creditors are repaid out of the sale proceeds and the Administrator then starts his work on the statutory investigation and other regulatory matters post sale. The report on the pre-pack (known as the SIP 16 report) is sent out to creditors in the first week after my appointment. The Administrators' time costs, both pre- and post-administration are set out the report to creditors which have to be issued within 8 weeks of the beginning of the Administration. It is the creditors who will approve or otherwise the Administrators' remuneration and disbursements.

Administration Objectives

Section 3 of Schedule B1 of the Insolvency Act 1986 states:-

"The Administrator of a company must perform his functions with the objective of:

- a) rescuing the company as a going concern, or
- b) achieving a better result for the company's creditors as a whole than would be likely if the company were wound up (without first being in Administration), or
- c) realising property in order to make a distribution to one or more secured or preferential creditors."

From what you have told me, it would appear that objectives (b) or (c) would apply in this case; and you would also be rescuing the business as a going concern, although it appears the Company is too far gone to save. Thus, all the assets of the Company would be realised for the benefit of the Company's creditors by the Administrators.

Cost and Modus Operandi

As stated above, I would ask you please to lodge the sum of £48,000 into this firm's Client Account should you wish to proceed. Our Client Account details are as follows:

Bank:	Metro Bank
Account name	DRP No.1 Client account
Sort code:	23-05-80
Account number:	14853332
Reference:	LBX

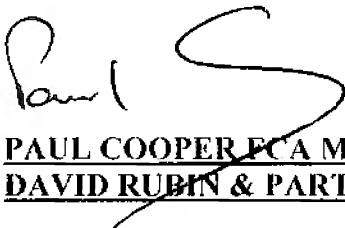
The £40k plus VAT will enable the Company to be placed into Administration and the business to be sold simultaneously.

Once appointed, the Administrators will then charge on the basis of time costs. The essence of our objectives as stated above is to maximise the return to creditors.

As you will have seen, the Pre-Pack Administration route is elegant, cost effective and achieves all the objectives that you set out during our meeting. The Administration route is often the process of choice where the requirement is to save the business if it is not possible to save the Company.

I trust that all the above is satisfactory. However, should you have any queries please do not hesitate to contact me. I look forward to hearing from you in early course and meanwhile assure you of my best attention at all times.

Yours sincerely



PAUL COOPER FCA MABRP MIPA FNARA
DAVID RUBIN & PARTNERS - PARTNER

Paul Cooper is licensed to act as an Insolvency Practitioner in the UK by the ICAEW.

Enc.

LONDON BLOCK EXCHANGE LIMITED
ESTIMATED STATEMENT OF AFFAIRS
AS AT 8 APRIL 2019

	Notes	Book Value	Estimated to Realise
		£	£
<u>ASSETS (Held on Trust)</u>			
OTC Client Funds (held for businesses on deposit before a trade)		5,208	
Retail Client Funds (held for individuals)		81,387	
Sub-Accounts (paid for accounts from a number of businesses)		<u>1,747,595</u>	<u>1,834,190</u>
Assets held on Trust for customers			<u><u>1,834,190</u></u>
<u>ASSETS (Available to Creditors)</u>			
Computer and Office Equipment (ETR 10%)		32,373	3,237
Intangible Assets - capitalised expenditure (ETR 10%)		145,022	Uncertain
Debtors (individuals pay into LBX Pay - due from that entity)		24,223	Uncertain
VAT Refund (Crown Offset)		<u>27,046</u>	<u>Nil</u>
Surplus Available for Preferential Creditors			<u>3,237</u>
<u>PREFERENTIAL CREDITORS - employee entitlements</u>			
Arrears of Wages (max of £800 per employee)		Uncertain	
Unpaid Pension Contributions (last 12 months)		Uncertain	
Accrued Holiday Entitlement (unlimited)		<u>Uncertain</u>	<u>Uncertain</u>
Surplus available for Prescribed Part (Net Property)			<u>3,237</u>
<u>PRESCRIBED PART</u>			
Prescribed Part Pursuant to Section 176A of IA86 c/d			<u>N/a</u>
Surplus Available to Unsecured Creditors			<u>3,237</u>
<u>UNSECURED CREDITORS</u>			
Trade Creditors		1,610,858	
Loan Accounts (Bryant/Dives/Commonwealth/Sandelson/McLeod/Neif)		4,095,553	
Amex credit cards (Biggerflip and LBX)		36,328	
LBX Custody Limited		46,053	
LBX Trading Limited		217,048	
HM Revenue & Customs - C Tax		Nil	
HM Revenue & Customs - VAT		Nil	
HM Revenue & Customs - PAYE/NIC		87,258	
Employee Entitlements - excess wages, redundancy and notice pay		<u>Uncertain</u>	<u>(6,093,098)</u>
Deficiency as regards Unsecured Creditors			<u>(6,089,861)</u>
<u>ISSUED AND CALLED UP CAPITAL</u>			
Share Capital (1,000 shares - 755 Sandelson and 245 Dives)		<u>10</u>	<u>(10)</u>
<u>DEFICIENCY AS REGARDS MEMBERS AND CREDITORS</u>			<u><u>(6,089,871)</u></u>

Row Labels	Sum of InvoiceAmountDue
Digital Detox	£ 281,255
Rackspace	£ 246,064
EY Seren	£ 208,212
Heavenly	£ 177,735
Benjamin Dives	£ 160,476
Adam Bryant	£ 150,000
WeWork	£ 102,295
Gavin Pereira	£ 78,750
Bovill	£ 48,653
Digital Media Stars	£ 39,828
TopLine Communications	£ 37,372
No Contact	£ 37,000
Elliptic	£ 32,531
Temac Seer Green	£ 32,456
Third City	£ 29,440
Zoonou	£ 17,244
CFS Zipp	£ 16,800
Prevail Digital	£ 15,550
Efferino FD	£ 14,500
Zhero Limited	£ 14,048
Stobbs	£ 10,508
Squire Patton Boggs	£ 9,900
Hugo Volz Oliveira	£ 8,251
Integress Compliance Advisory & Training Ltd	£ 7,500
TruNarrative	£ 5,645
Vix Verify International Pty Ltd	£ 4,295
Dearg Obartuin Ltd	£ 4,107
Shape Media	£ 3,360
12 Hay Hill Ltd	£ 2,995
Thomson Reuters Corporation	£ 2,653
King's College London	£ 1,074
Quantlife Ltd	£ 935
Moneypenny	£ 702
LEVEL39	£ 480
Google	£ 315
Microsoft	£ 273
Dean Jehan	£ 250
Mighty Capital Ltd	£ 219
Peninsula	£ 170
GitHub	£ 116
Methuen Consulting	£ 108
Amazon	£ 86
Recurly	£ 82
Your Company Formations	£ 2
(blank)	
Grand Total	£ 1,804,234

Respondent
B.Dives
First
Exhibits BD/1-BD/2
9.04.2019

IN THE HIGH COURT OF JUSTICE

Case no: CR2019-001-356

BUSINESS AND PROPERTY COURTS OF ENGLAND AND WALES

INSOLVENCY AND COMPANIES LIST

SQUIRE PATTON BOGGS UK LLP (Solicitors)

Applicant

-and-

LONDON BLOCK EXCHNAGE LTD

Respondent

STATEMENT OF BENJAMIN DIVES

1. I am the Director of the Respondent I am authorised by the Respondent to provide this Witness Statement. The facts and matters in this First Witness Statement are within my own knowledge save where I have indicated otherwise. Where I have indicated that matters are not within my own knowledge, I have indicated the sources of my information and belief.

2. The Respondent is a limited company that is a payments services institution. It holds client money for individuals and business who wish to transact on the Internet. It employs 10 people and I am the only Director of the Respondent. The Respondent Company is registered with the Financial Conduct Authority and has suffered reputational damage as a result of the Applicant's advertisement of the Winding Up in the Gazette. The Respondent's turnover per year is approximately £500,000.

3. In the Petition, the Applicant wishes to wind up the Respondent on the basis of 2 interim request for payments. The Applicant is a Firm of Solicitors and is governed by the rules on solicitors bills as per the 1974 Solicitors' Act. These rules are in place to protect consumers of solicitors' services. It is the Respondent's case that the Applicant has not adhered to those rules and has not issued nor delivered its Final Bill of Costs under Statute.

4. The Applicant has not issued a money claim but has instead issued the Winding Up proceedings. As a result, the Respondent has exercised its right and issued an Application at the Senior Courts Costs Office for the delivery of the Solicitors Final Bill of Costs and thereafter for the assessment of the solicitors' fees by a Costs Master. That issued Application was served on the Applicant and additionally filed with the High Court in these proceedings on 4th April 2019. Prior to that date, the Respondent requested a Final Bill of Solicitors Costs from the Applicant, but the Applicant has not provided one to date and the Respondent has had no choice but to make its Application to the Senior Courts Costs Office. A copy of the Respondent's Application is enclosed herewith as **Exhibit BD/1** together with the Applicant's advertisement in the Gazette.

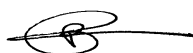
5. The Respondent apologises for the late filing of this Witness Statement but a telephone hearing took place today at 12:30pm, at short notice, and in light of the listing of the Winding Up Petition, at the Senior Courts Costs in front of Master Rowley. As **Exhibit BD/2** I enclose a Draft Order that followed, prepared by my costs lawyer and sent to the Applicant for its agreement. The Respondent has also requested the Senior Courts Costs Office to adjudicate on the issue as to whether there has ever been a Retainer between the Applicant and the Respondent. It is the Respondent's position that no Letter of Engagement has been signed by a Director of the Respondent. It is the Respondent's position that there was no Retainer between the Applicant and the Respondent.

6. The 2-interim request for payment forming the basis of the Applicant's Petition are disputed and are considered to have been incorrectly issued. They do not contain the necessary information that would enable the Respondent to seek professional advice as to whether the charges applied are correct and proportionate. In their current format they do not give rise to solicitors' fees. Nevertheless, the Respondent's investor has placed £13,000 with the Applicant.

7. The Respondent respectfully requests that the Petition be dismissed.

STATEMENT OF TRUTH

I believe that facts stated in this Witness Statement are true.



Benjamin Dives

9th April 2019



CR-2019-001356

IN THE HIGH COURT OF JUSTICE
BUSINESS AND PROPERTY COURTS OF ENGLAND AND WALES
COMPANIES COURT (ChD)

Before Insolvency and Companies Court Judge Barber (Chief Registrar)
10 April 2019

IN THE MATTER OF LONDON BLOCK EXCHANGE LTD

AND IN THE MATTER OF THE INSOLVENCY ACT 1986

ORDER

UPON THE PETITION of the Squire Patton Boggs (UK) LLP of 7 Devonshire Square, Cutlers Gardens, London EC2M 4YH (the “Petitioner”), presented against London Block Exchange Ltd (the “Company”) on 25 February 2019

AND UPON the Company serving the Petitioner with a witness statement in opposition to the Petition on 9 April 2019

AND UPON HEARING Ms Dawn McCambley, Counsel for the Petitioner, and Mr Damian Falkowski, Counsel for the Company

IT IS ORDERED that:

1. The Petitioner do file and serve evidence in reply by 4pm on 1 May 2019.
2. The Company, if so advised, do file and serve evidence in rejoinder by 4pm on 15 May 2019.

3. The parties do file and serve listing questionnaires by 4pm on 29 May 2019.
4. A non-attendance pre-trial review to be held on the first open date after 5 June 2019.
5. Costs in the Petition.
6. Liberty to apply.

Dated: 10 April 2010

Service of the Order

The Court has provided sealed copies of this Order to the serving party:

Squire Patton Boggs (UK) LLP
Rutland House
148 Edmund Street
Birmingham
B3 2JR
Ref: RH13/LON.333-0001

ORDER In the High Court of Justice
Senior Courts Costs Office
Master Rowley

Case number:

JR 1902065

Parties London Block Exchange Limited
-and-
Squire Paton Boggs UK LLP



On 9 April 2019 before Master Rowley sitting in Court 100 at The Royal Courts of Justice, Strand, London

UPON THE APPLICATION of the Claimant

AND UPON HEARING the costs lawyer for the Claimant and the legal executive for the Defendant

IT IS ORDERED that:

- (1) The directions hearing is adjourned to 10.30am on 30 April 2019
- (2) The costs of this application are reserved

IN THE HIGH COURT OF JUSTICE

CLAIM NO: JR 1902065

SENIOR COURT COSTS OFFICE

B E T W E E N:

LONDON BLOCK EXCHANGE LTD

Claimant

- and -

SQUIRE PATTON BOGGS (UK) LLP (Solicitors)

Defendant

INDEX TO BUNDLE
FOR HEARING BEFORE MASTER ROWLEY
TUESDAY 30TH APRIL 2019 at 10:30AM

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3.	Draft Order, 9 th April 2019	6
4.	Directions in Windng Up Petition, 10 th April 2019	7-8
5.	Application Notice with 2 invoices	9-12
6.	Witness Statement of Claimant's Director, 9 th April 2019	13-14
7.	Selected Inter partes correspondnece	15-27

**IN THE HIGH COURT OF JUSTICE
SENIOR COURT COSTS OFFICE**

CLAIM NO: JR 1902065

COSTS JUDGE ROWLEY

BETWEEN:

LONDON BLOCK EXCHANGE LTD

Claimant

- and -

SQUIRE PATTON BOGGS (UK) LLP (Solicitors)

Defendant

**SKELTON ARGUMENT OF THE CLAIMANT
FOR HEARING BEFORE MASTER ROWLEY
TUESDAY 30TH APRIL 2019 at 10:30AM**

1. Introduction:

This Skeleton Argument is prepared on behalf of the Claimant (“C”) to assist the Court. C is a financial institution, regulated by the Financial Conduct Authority. C is legally represented in relation to 2 matters arising out of the apparent solicitor-client relationship with the Defendant (“D”) that is a firm of solicitors.

- a) D has applied to wind up the Claimant, absent a Judgment/Order/Claim on the basis of 2 interim requests for payment for apparent solicitors’ services. Its application is being defended at the High Court of Justice, case no: CR-2019-001356 and continues despite no determination at the SCCO. On 9th April, C attempted to agree directions in order to incorporate them into the Winding Up Petition proceedings so same time table applies. The Winding Up is reliant on the validity of the bills that C disputes. D did not agree to that and on 10th April the Winding Up Judge was addressed on the issue on solicitors bills rather than the matter first being determined by SCCO.
- b) C, having requested a Final Bill and been refused one, had no choice but to issue an Application for the delivery of the Final Bill.
- c) D has not filed any reply thereto but has written a letter to C’s solicitors’ *senior partner* with WPSAC points therein hence it is not admissible as inter partes correspondence. That letter has not been filed with the Court. No Witness Statement nor a proper reply was ever made served or filed by D in these proceedings.

Background:

2. This hearing is unnecessary and takes places further to a telephone hearing of 9th April 2019 only because the D did not:
 - 2.1 Agree Draft Directions as per 9th April hearing after C e-mailed them immediately after the hearing
 - 2.2 Reply to C's correspondence for 14 days
 - 2.3 Agree draft directions and still does not agree
 - 2.4 Attempt to agree Directions
 - 2.5 Attempt to narrow the scope of the hearing
 - 2.6 Explain the position on £13,000 deposited in its account by C's investor

Key issues:

3. **Retainer:** There is no signed LoE between parties. D states that it has conducted solicitors' work for C and that D was a solicitor for C. C's position is that D was approached via an external contractor not an employee and not a Director for work useful to that contractor as a friend to a friend. A friend of that contractor who worked as a solicitor for D. D sent invoices to that contractor who in 2019 asserted that the responsibility for payment was on C. Periods of the claimed retainer are unknown as it is the end point of the alleged retainer.
4. **Particulars of fees sought.** These have not been particularized, hourly rates are not agreed, Terms and Conditions have not been signed or explained, it is unknown which solicitor has had conduct of this matter.
5. **£13,000 placed with D.** C's investor worried about the Winding Up and placed £13,000 with D. D's interim request for payments amount to £10,523.54 and its Winding Up petition is for that amount. C is at utter loss as to what D is claiming money for and how much.
6. **Winding Up,** although D considers itself to be or have been a solicitor for C, it did not issue a claim against D but proceeded to Wind it Up. The Winding Up is based on the invoices that needed to be assessed by SCCO, the Winding Up process is not equipped to do so and submissions on technicalities of Solicitors bill were made at the Winding Up hearing on 10th April 2019. This is a waste of court's time and Winding Up, that was not ordered on 10th April needed to have its timetable incorporated in conjunction with the SCCO.

Chronology

12.03.18 External contractor of C states to C that he needs a law firm for his own work
13.03.18 that contractor speaks to D via a friend who works at D but signs no LoE and nothing for C
20.03.18 Contractor has contact with D but not for C
21.03.18 Contractor receives his own LoE for him but does not sign
05.06.18 D starts asking contractor for money
26.10.18 Contractor receives invoices, no explanation or breakdown
08.01.19 C's contractor confirms to D that he is not responsible for their invoices
10.01.19 Mr Hill of D writes to introduce himself to contractor of C
15.01.19 C's contractor confirms that he is external and not C
27.01.18 D starts asking C for more money
28.02.19 D's application to Wind Up C
12.03.18 C's Investor sends D £13,000 to close the matter, but D continues on
26.03.19 C's solicitors request Final Bill and Certificate of Service of Final Bill
27.03.19 C's 2nd request for Final Bill
27.03.19 D's email asking what a Final Bill is
27.03.19 C's warning of an SCCO Application
27.03.19 D asking what SCCO proceedings are, and for "*statutory provisions*" for SCCO claim
27.03.19 C's further request for a Final Bill
04.04.19 C issued and served SCCO Application
04.09.19 SCCO Application filed in Winding Up proceedings and re-served
08.04.19 C's Application for a telephone hearing at SCCO before the Winding up Petition
08.04.19 D opposes the SCCO tel. hearing before Winding up
08.04.19 D states it will adjourn Winding Up and no need for SCCO hearing on 09.04.19
09.04.19 D it does not adjourn Winding Up
09.04.19 Telephone hearing before Master Rowley, SCCO
09.04.19 Draft SCCO Directions e-mailed to D immediately but no reply
09.04.19 C's Draft Directions filed with WS in the Winding Up petition
10.04.19 Winding Up hearing at HCJ, Directions given absent SCCO matter
15.04.19 Absent Agreed Directions, SCCO Order sent to parties listing the matter on 30.04.19
25.04.19 E-mail from D opposing Draft Directions of 09.04.19 asking for Order and issued Application
26.04.19 D calls SCCO makes unilateral arrangements for tel. hearing
26.04.19 C's letter to D setting out the position on Draft Directions of 9th April 2019
29.04.19 D comments for an online press release about C "*debt it is owed*"
29.04.19 D refuses to clarify the position of £13,000 paid thereto by C's Investor

7. Hearing on 9th April 2019

In accordance with the comment made by Master Rowley on 9th April 2019, the Claimant submitted to the Defendant immediately following the hearing, by e-mail, a draft form of Order for Directions as follows:

- (1) The Defendant must within 28 days deliver to the Claimant, or to his solicitor, a bill of costs in respect of invoices number 2622803 dated 29th March 2018 and invoice number 2624225 dated 25th April 2018.
- (2) The Defendant must give credit in that bill for all money received by him from or on account of the bills mentioned in Item (1).
- (3) The Claimant to serve Points of Dispute within 28 days of the date of the Bills of Costs of the Defendant to include any issues in relation to the Retainer.
- (4) The Defendant to serve any Replies within 28 days of service upon the of Points of Dispute.

(5) Either party to apply for a Detailed Assessment hearing within 3 months of the date of service of Replies.

8. The Defendant failed to respond to the proposed directions until just two days before the hearing fixed for 30th April 2019. There followed a series of lengthy exchanges between the parties with the Defendant failing to deal in any way with the issue of directions.
9. The matter has been drawn out totally unnecessarily in to issues that were either irrelevant or matters to be dealt with in the assessment.
10. The Claimant seeks an order as above with costs incurred between the parties arising out of the attached correspondence and hearing today to be payable by the Defendant to be assessed if not agreed.

PAUL WHITE
COSTS LAWYER FOR THE CLAIMANT

DATED: 30th April 2019

ORDER In the High Court of Justice
Senior Courts Costs Office
Master Rowley

Case number:
JR 1902065



Parties London Block Exchange Limited
-and-
Squire Paton Boggs UK LLP

On 9 April 2019 before Master Rowley sitting in Court 100 at The Royal Courts of Justice, Strand, London

UPON THE APPLICATION of the Claimant

AND UPON HEARING the costs lawyer for the Claimant and the legal executive for the Defendant

IT IS ORDERED that:

- (1) The directions hearing is adjourned to 10.30am on 30 April 2019
- (2) The costs of this application are reserved



CR-2019-001356

IN THE HIGH COURT OF JUSTICE
BUSINESS AND PROPERTY COURTS OF ENGLAND AND WALES
COMPANIES COURT (ChD)

Before Insolvency and Companies Court Judge Barber (Chief Registrar)
10 April 2019

IN THE MATTER OF LONDON BLOCK EXCHANGE LTD

AND IN THE MATTER OF THE INSOLVENCY ACT 1986

ORDER

UPON THE PETITION of the Squire Patton Boggs (UK) LLP of 7 Devonshire Square, Cutlers Gardens, London EC2M 4YH (the “Petitioner”), presented against London Block Exchange Ltd (the “Company”) on 25 February 2019

AND UPON the Company serving the Petitioner with a witness statement in opposition to the Petition on 9 April 2019

AND UPON HEARING Ms Dawn McCambley, Counsel for the Petitioner, and Mr Damian Falkowski, Counsel for the Company

IT IS ORDERED that:

1. The Petitioner do file and serve evidence in reply by 4pm on 1 May 2019.
2. The Company, if so advised, do file and serve evidence in rejoinder by 4pm on 15 May 2019.

3. The parties do file and serve listing questionnaires by 4pm on 29 May 2019.
4. A non-attendance pre-trial review to be held on the first open date after 5 June 2019.
5. Costs in the Petition.
6. Liberty to apply.

Dated: 10 April 2010

Service of the Order

The Court has provided sealed copies of this Order to the serving party:

Squire Patton Boggs (UK) LLP
Rutland House
148 Edmund Street
Birmingham
B3 2JR
Ref: RH13/LON.333-0001

SCHEDULE OF COSTS PRECEDENTS
PRECEDENT J



IN THE HIGH COURT OF JUSTICE

Claim No

SENIOR COURTS COSTS OFFICE

IN THE MATTER OF Squire Patton Boggs UK LLP (Solicitors)

Claimant: LONDON BLOCK EXCHANGE LTD

Defendant: SQUIRE PATTON BOGGS UK LLP (SOLICITORS)

SEAL

CLAIM FORM (CPR Part 8)

Details of claim (see also overleaf)

The following Orders are applied for:

- (1) An Order for a Hearing to be fixed to determine whether any terms of a retainer exist between parties.
- (2) An Order in standard form for the delivery of Bill of Costs in all cases and matters, if any such a retainer exists between parties in which the Defendant has acted for the Claimant.
- (3) An Order that the Winding up Petition issued and advertised by the Defendant be stayed and or be dismissed pending the outcome of these proceedings.
- (4) An order dealing with the costs of this application

Defendant's name and address:

Squire Patton Boggs UK LLP (Solicitors)
Rutland House, 148 Edmund Street
Birmingham B3 2JR

£ 55

Court fee
Solicitor's Cost
Issue date

The court office at the Senior Courts Costs Office is open between 10.00 am and 4.30 pm, Monday to Friday, when corresponding with the court, please address forms or letters to the Court Manager and quote the claim number.

Claim No.

Details of claim (continued)

The Defendant has issued and rendered 2 invoices in the total sum of if £9,900 as follows:

(1) Invoice number 2622803, Date: 29th March 2018, amount of £2,700 said to be for professional services provided in respect of financial regulation.

(2) Invoice number: 2624225, dated 25th April 2018, amount: £7,700 said to be for professional services provided in respect of a listing fee agreement.

No detail has been provided as to how these invoices have been calculated and they do not comply with section 69 of the 1974 Solicitors Act and do not constitute a Final Solicitors' Bill under the 1974 Solicitors Act. A Final Solicitors' Bill under the Act has been requested from the Defendant for all monies, but it has not been issued and the Defendant has not confirmed that it is willing to issue it despite requests. It appears that the Claimant now requests further solicitors' fees.

The Defendant has made an application to wind up the Claimant on the basis of unpaid invoices for its solicitors' fees. The Defendant has advertised the Winding up Petition in the Gazette and the Hearing is listed on 11th April 2019 in the High Court of Justice under case number CR-2019-001356.

There is doubt as to whether there has ever been and continues a proper and complete retainer between parties.

Statement of Truth

*(I believe) (The Claimant believes) that the facts stated in these particulars of claim are true.

*I am duly authorised by the Claimant to sign this statement.

Full name Raf Demczuk, W LEGAL Ltd.....

Name of Claimant's solicitor's firm W LEGAL Ltd

Signed position or office held ...Member, W Legal Ltd.....

*(Claimant) (Litigation friend) (Claimant's solicitor) (if signing on behalf of firm or company)

*delete as appropriate

Claimant's or claimant's solicitor's address to which documents should be sent if different from overleaf. If you are prepared to accept service by DX, fax or e-mail, please add details.

Ref. RD

W LEGAL Ltd

47 Red Lion Street

London, WC1R 4PF

London Block Exchange Ltd
Kemp House
160 City Road
London
EC1V 2NX

29 March 2018

Our Ref:	Matter Number:	Your Ref:	Bill No:
PA2/PA2	LON.333-0001	Marcin Nawrocki	2622803
	VAT	Disbursements	Fees
	GBP	GBP	GBP
Financial Regulation			
To our charges for professional services in the above matter	450.00		2,250.00
With Our Compliments			
Total	450.00		2,250.00
THIS BILL IS DUE FOR PAYMENT WITHIN 14 DAYS OF ISSUE			
Complaint You may object to this bill by way of our complaints procedure (described in our Global Engagement Letter to you); by making a complaint to the Legal Ombudsman, if you have exhausted our internal procedures (and within 6 months of the final letter from us in respect of your complaint); or by applying for taxation or assessment (see below).		Add Disbursements	0.00
Taxation or Assessment You may be entitled to have our charges reviewed by the court (this is called 'taxation' or 'assessment'). The procedure is set out in sections 70, 71 and 72 of the Solicitors Act 1974. You should note that the Legal Ombudsman may not consider a complaint about a bill if you have applied to the court for assessment of that bill.		Add 20% VAT	450.00
Interest We may charge interest on unpaid bills and we will do so at the agreed rate set out in our terms of business (or failing agreement the rate on judgement debts) from either the date when the bill becomes due for payment or from one month after delivery of our bill whichever is the earliest.		Total	2,700.00
For Direct GBP Payment please send to: Bank: Lloyds Bank Plc Sort Code: 30-00-05 Account Number: 00200399 IBAN: GB92LOYD30000500200399 SWIFT: LOYDGB21007		Less Receipts	0.00
For cheque payments please send to: Squire Patton Boggs (UK) LLP PO Box 574 Leeds LS3 1ZH Registered for VAT GB747 1831 20		Amount Due	2,700.00

Squire Patton Boggs is the trade name of Squire Patton Boggs (UK) LLP, a Limited Liability Partnership registered in England and Wales with number OC 335584 authorised and regulated by the Solicitors Regulation Authority. A list of the members and their professional qualifications is open to inspection at 7 Devonshire Square, London, EC2M 4YH. The status "Partner" denotes either a member or an employee or consultant who has equivalent standing and qualifications.

Squire Patton Boggs (UK) LLP is part of the international legal practice Squire Patton Boggs, which operates worldwide through a number of separate legal entities.

Please visit squirepattonboggs.com for more information.



London Block Exchange Ltd
Kemp House
160 City Road
London
EC1V 2NX

25 April 2018

Our Ref:	Matter Number:	Your Ref:	Bill No:
SXT1/AJW4	LON.333-0002	Dean White	2624225
	VAT	Disbursements	Fees
Listing Fee Agreement	GBP	GBP	GBP
To our charges for professional services in the above matter	1,200.00		6,000.00
With Our Compliments	Total	1,200.00	6,000.00
THIS BILL IS DUE FOR PAYMENT WITHIN 14 DAYS OF ISSUE			
Complaint You may object to this bill by way of our complaints procedure (described in our Global Engagement Letter to you); by making a complaint to the Legal Ombudsman, if you have exhausted our internal procedures (and within 6 months of the final letter from us in respect of your complaint); or by applying for taxation or assessment (see below).		Add Disbursements	0.00
Taxation or Assessment You may be entitled to have our charges reviewed by the court (this is called 'taxation' or 'assessment'). The procedure is set out in sections 70, 71 and 72 of the Solicitors Act 1974. You should note that the Legal Ombudsman may not consider a complaint about a bill if you have applied to the court for assessment of that bill.		Add 20% VAT	1,200.00
Interest We may charge interest on unpaid bills and we will do so at the agreed rate set out in our terms of business (or failing agreement the rate on judgement debts) from either the date when the bill becomes due for payment or from one month after delivery of our bill whichever is the earliest.		Total	7,200.00
For Direct GBP Payment please send to: Bank: Lloyds Bank Plc Sort Code: 30-00-05 Account Number: 00200399 IBAN: GB92LOYD30000500200399 SWIFT: LOYDGB21007		Less Receipts	0.00
For cheque payments please send to: Squire Patton Boggs (UK) LLP PO Box 574 Leeds LS3 1ZH Registered for VAT GB747 1831 20		Amount Due	7,200.00

Squire Patton Boggs (UK) LLP

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Squire Patton Boggs (UK) LLP is part of the international legal practice Squire Patton Boggs, which operates worldwide through a number of separate legal entities.

Please visit squirepattonboggs.com for more information.

Respondent
B.Dives
First
Exhibits BD/1-BD/2
9.04.2019

IN THE HIGH COURT OF JUSTICE

Case no: CR2019-001-356

BUSINESS AND PROPERTY COURTS OF ENGLAND AND WALES

INSOLVENCY AND COMPANIES LIST

SQUIRE PATTON BOGGS UK LLP (Solicitors)

Applicant

-and-

LONDON BLOCK EXCHNAGE LTD

Respondent

STATEMENT OF BENJAMIN DIVES

1. I am the Director of the Respondent I am authorised by the Respondent to provide this Witness Statement. The facts and matters in this First Witness Statement are within my own knowledge save where I have indicated otherwise. Where I have indicated that matters are not within my own knowledge, I have indicated the sources of my information and belief.

2. The Respondent is a limited company that is a payments services institution. It holds client money for individuals and business who wish to transact on the Internet. It employs 10 people and I am the only Director of the Respondent. The Respondent Company is registered with the Financial Conduct Authority and has suffered reputational damage as a result of the Applicant's advertisement of the Winding Up in the Gazette. The Respondent's turnover per year is approximately £500,000.

3. In the Petition, the Applicant wishes to wind up the Respondent on the basis of 2 interim request for payments. The Applicant is a Firm of Solicitors and is governed by the rules on solicitors bills as per the 1974 Solicitors' Act. These rules are in place to protect consumers of solicitors' services. It is the Respondent's case that the Applicant has not adhered to those rules and has not issued nor delivered its Final Bill of Costs under Statute.

4. The Applicant has not issued a money claim but has instead issued the Winding Up proceedings. As a result, the Respondent has exercised its right and issued an Application at the Senior Courts Costs Office for the delivery of the Solicitors Final Bill of Costs and thereafter for the assessment of the solicitors' fees by a Costs Master. That issued Application was served on the Applicant and additionally filed with the High Court in these proceedings on 4th April 2019. Prior to that date, the Respondent requested a Final Bill of Solicitors Costs from the Applicant, but the Applicant has not provided one to date and the Respondent has had no choice but to make its Application to the Senior Courts Costs Office. A copy of the Respondent's Application is enclosed herewith as **Exhibit BD/1** together with the Applicant's advertisement in the Gazette.

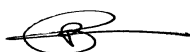
5. The Respondent apologises for the late filing of this Witness Statement but a telephone hearing took place today at 12:30pm, at short notice, and in light of the listing of the Winding Up Petition, at the Senior Courts Costs in front of Master Rowley. As **Exhibit BD/2** I enclose a Draft Order that followed, prepared by my costs lawyer and sent to the Applicant for its agreement. The Respondent has also requested the Senior Courts Costs Office to adjudicate on the issue as to whether there has ever been a Retainer between the Applicant and the Respondent. It is the Respondent's position that no Letter of Engagement has been signed by a Director of the Respondent. It is the Respondent's position that there was no Retainer between the Applicant and the Respondent.

6. The 2-interim request for payment forming the basis of the Applicant's Petition are disputed and are considered to have been incorrectly issued. They do not contain the necessary information that would enable the Respondent to seek professional advice as to whether the charges applied are correct and proportionate. In their current format they do not give rise to solicitors' fees. Nevertheless, the Respondent's investor has placed £13,000 with the Applicant.

7. The Respondent respectfully requests that the Petition be dismissed.

STATEMENT OF TRUTH

I believe that facts stated in this Witness Statement are true.



Benjamin Dives

9th April 2019

From: Raf Demczuk <raf.demczuk@wlegal.co.uk>
Date: Monday, 29 April 2019 at 13:12
To: "Proctor, Andrew" <andrew.proctor@squirepb.com>
Cc: Nigel Kushner <nigel.kushner@wlegal.co.uk>, Paul White <pwhiteis@aol.com>
Subject: London Block Exchange-v-Squire Patton Boggs (UK) LLP (Solicitors)

Dear Andrew

RE: London Block Exchange-v-Squire Patton Boggs (UK) LLP (Solicitors)

I note your refusal to respond substantively which is surprising and regretful. The matter is escalating unnecessarily. There is no ample time, you responded 2 working days before the hearing date and you have had copies of all the material.

In reference to you quoting an email of your Mr Hill of 26/4/19@12:09 paragraph 4 is a one sentence: **"The funds held on account are subject to a written agreement between this firm and a third party."** and it does not answer the following questions posed in my below e-mail sent to you this morning:

"Unfortunately, we are having to ask for the third time now: "please confirm the basis upon which you are holding any money on behalf of our client in your client account and the status of same together with your position on the payee. Please confirm if that payee is also, in your view, your client." We ask for an urgent reply with substance and additionally confirm:

How long have you held the money for and on what basis?

How long do you intend hold it for?

Is the money, in your view, a deposit?

Is it, in your view, a security?"

We have no choice but to produce a copy of this correspondence before Master Rowley tomorrow.

Kind regards,

Raf

Raf Demczuk
W Legal Limited

From: "Proctor, Andrew" <andrew.proctor@squirepb.com>
Date: Monday, 29 April 2019 at 12:22
To: Raf Demczuk <raf.demczuk@wlegal.co.uk>
Cc: Nigel Kushner <nigel.kushner@wlegal.co.uk>, Paul White <pwhiteis@aol.com>
Subject: RE: London Block Exchange-v-Squire Patton Boggs (UK) LLP (Solicitors) [I-EUR.FID9197139]

Dear Raf,

I am not going to repeat points previously made.

If you are to prepare a bundle for the hearing tomorrow, please provide a copy to us in ample time before the hearing.

In response to your paragraph 4 below, I refer you to Russell Hills' e-mail to you of 26/4/19 12:09 paragraph 4.

Regards

Andrew

Andrew M. Proctor

Director of Costs
Squire Patton Boggs (UK) LLP

From: Raf Demczuk <raf.demczuk@wlegal.co.uk>
Sent: 29 April 2019 10:21
To: Proctor, Andrew <andrew.proctor@squirepb.com>
Cc: Nigel Kushner <nigel.kushner@wlegal.co.uk>; Paul White <pwhiteis@aol.com>
Subject: [EXT] London Block Exchange-v-Squire Patton Boggs (UK) LLP (Solicitors)

Dear Andrew

RE: London Block Exchange-v-Squire Patton Boggs (UK) LLP (Solicitors)

Thank you for your message. Unfortunately, we need to repeat our previous points:

1. Directions needed to have been agreed and you did not respond for 14 days, i.e. until 2 working days before the hearing, I sent them to you just after the telephone hearing on 9th April by e-mail, but you did not reply for 2 weeks. As a result, SCCO issued its own Order and we have given you advanced notice that we are seeking costs of tomorrow's hearing, which is only taking place because you did not reply to the Directions.
 - 1.1 Further you did not attempt to agree directions
 - 1.2 And finally, you did not attempt to narrow the scope of the hearing.
2. For those reasons only, the hearing is taking place, and we are seeking costs as a result of your approach as per above (1-1.2). Agreed Directions would have additionally assisted the High Court in the Winding Up hearing on the day after the SCCO hearing i.e. on 10th April brought by your Firm against a company that you consider to be your former client. As you are aware, your Firm was not successful in the winding up of our client on 10th April.
3. In relation to your unilateral call to the SCCO on Friday where you attempted to set up a telephone hearing, we objected because of the above (1) and after our letter, you needed to have responded and engaged with us in relation to the Directions and not call a clerk at the SCCO attempting to list a hearing, where you are the Defendant, you do not pay for telephone hearings and have had no permission of the Court to do so. The previous telephone hearing was suggested by the Court. As much as we are not opposed, being practical, we need to show Master Rowley copies of the herein and previous correspondence on the issue of costs.
4. Unfortunately, we are having to ask for the third time now: *"please confirm the basis upon which you are holding any money on behalf of our client in your client account and the status of same together with your position on the payee. Please confirm if that payee is also, in your view, your client."* We ask for an urgent reply with substance and additionally confirm:
 - 4.1 How long have you held the money for and on what basis?
 - 4.2 How long do you intend hold it for?
 - 4.3 Is the money, in your view, a *deposit*?
 - 4.4 Is it, in our view, a *security*?
5. Costs are disproportionate because of the above (1) and (2). You did not reply and left us and the Court with no choice, so the Court listed it. At the same time, your Firm has been sending us other correspondence, that I hope you have seen, and that is unfortunately otiose and that we also wish to present to Master Rowley. Expense was not *inevitable* as you say but needed to have been managed.
6. In light of your Friday call to the SCCO, we will contact the Court and revert. Please respond to the points made in our Friday letter, below emails and in particular to the above (4).

Kind regards,

Raf

Raf Demczuk
W Legal Limited

From: "Proctor, Andrew" <andrew.proctor@squirepb.com>
Date: Monday, 29 April 2019 at 09:47
To: Raf Demczuk <raf.demczuk@wlegal.co.uk>
Cc: Nigel Kushner <nigel.kushner@wlegal.co.uk>, Paul White <pwhiteis@aol.com>
Subject: RE: London Block Exchange-v-Squire Patton Boggs (UK) LLP (Solicitors) [I-EUR.FID9197139]

Dear Raf,

Briefly dealing with the points you raise:

1. As stated your proposed directions are not agreed and in turn you do not agree our suggested directions. The Court will therefore have to determine the way the proceedings continue as we are unable to agree.
2. I telephoned the Court to enquire if the listed hearing was to be heard by telephone. The clerk was helpful and said it could be heard by telephone and hence my email to you. In the interests of saving costs, it makes sense to have the hearing by telephone. Of course you could disagree. I note though that you agree to it being dealt with by telephone, which from experience can be arranged at relatively short notice. If you are unable to arrange the telephone hearing please let me know as soon as possible as attendance in person will need to be arranged.
3. We have previously said that costs will be disproportionate given the amount in issue. However your client has brought these proceedings, which are defended and consequently will incur inevitable expense.

I look forward to hearing from you.

Regards

Andrew

From: Raf Demczuk <raf.demczuk@wlegal.co.uk>
Sent: 28 April 2019 10:13
To: Proctor, Andrew <andrew.proctor@squirepb.com>
Cc: Nigel Kushner <nigel.kushner@wlegal.co.uk>; Paul White <pwhiteis@aol.com>
Subject: [EXT] London Block Exchange-v-Squire Patton Boggs (UK) LLP (Solicitors)

Dear Andrew

RE: London Block Exchange-v-Squire Patton Boggs (UK) LLP (Solicitors)

Thank you for your below message.

It is not the position that, as you say: *"we are clearly unable to agree directions and the hearing will need to proceed"*. The hearing is unfortunately only proceeding because of your Firm's lack of reply or any attempt to agree Directions after the 9th April hearing.

The position remains as per our letter of 26th April 2019, namely that we e-mailed you the Draft Directions on 9th April 2019. We did this immediately after the telephone hearing, in order to save Court's time, and costs. We wanted to have the agreed Directions incorporated into the timetable of your Winding up Petition, where the hearing was on the following day i.e. 10th April, but you did not respond for 14 days. You responded 2 working days before the SCCO hearing with your letter that contained inaccuracies e.g. that you had not been served with the issued proceedings etc. At the same time, we had other correspondence from your Firm asking for, inter alia, a reply in open correspondence to your letter containing references to (1) Without Prejudice Save as to Costs and (2) Without Prejudice Save as to Costs of the Assessment matters.

Some effort was made when we sent you a 3-page letter on 26th April 2019 immediately responding to your letter of 25th April. We wish to have a copy thereof and the herein emails placed before Master Rowley on Tuesday morning on the issue of costs.

You have unfortunately, and with respect, not attempted to agree Directions or cooperate with us. We repeat, that before the SCCO Application was issued, we had requested, that your Firm produces and appropriately delivers a Final Bill under Statute but we received queries from your Firm asking what we meant by a Final Bill. Equally, we would wish to have that inter partes correspondence placed in front of Master Rowley.

You write in your e-mail that you have called the Master's clerk on Friday 26th April, presumably after our letter, and arranged for a telephone hearing without consulting us or asking us for consent although our client is the Claimant.

Your Firm, as the Defendant, appear to have given the below directions. Namely, that we arrange a telephone hearing. With respect, this is not how SCCO proceedings are conducted. We had only asked for a telephone hearing on 9th April due to the urgency of your Winding Up Petition and to assist you. You have now given us 1 working day to arrange matters as per your convenience and not obtained a formal consent from the Court for such a hearing. This is after there was no reply for 14 days and no attempt to agree directions.

Being practical, we are not opposing your unilateral action but do not know if there is now enough time to arrange a telephone hearing. We will urgently speak to the HMCTS telephone providers on Monday. It may need to be the case that we will attend, and you are dialled in. We will make every effort to be practical, to save costs and to assist you.

We immediately responded to your 25th April letter with substance addressing each and every paragraph thereof but unfortunately you have not responded to any queries stated in our letter of 26th April 2019 and in particular in its paragraph 13:

"Finally, please confirm the basis upon which you are holding any money on behalf of our client in your client account and the status of same together with your position on the payee. Please confirm if that payee is also, in your view, your client."

We believe that this matter has unnecessarily escalated. We repeat the last paragraph of our letter of 26th April:

"We hope that you agree that the costs of all this matter are getting out of hand. Our client is, nevertheless, entitled to a proper Statute Bill without any costs and your Firm continues to attempt to wind it up without any determination of the SCCO action."

Best regards,

Raf

Raf Demczuk
W Legal Limited

From: "Proctor, Andrew" <andrew.proctor@squirepb.com>

Date: Friday, 26 April 2019 at 14:23

To: Raf Demczuk <raf.demczuk@wlegal.co.uk>

Subject: RE: London Block Exchange-v-Squire Patton Boggs (UK) LLP [I-EUR.FID9197139]

Dear Raf,

Thank you for your letter and enclosure notifying of the hearing on 30 April.

In view of your response, we are clearly unable to agree directions and the hearing will need to proceed.

I have just called the clerk to Master Rowley who confirmed that the hearing can take place by telephone (as I believe was intended by Master Rowley when fixing the date on the last occasion).

The clerk confirmed the number to use for Master Rowley is 0207 947 6468.

I shall be attending and my number to use is 0113 284 7680.

As your client is the Claimant I assume that you will arrange the telephone hearing. Can you confirm.

Regards

Andrew

Squire Patton Boggs (UK) LLP
6 Wellington Place
Leeds
LS1 4AP

Your ref: AP/17/AHM 150-220 & SXT1/AJW4 &
Our ref: RD/LBE /01

26th April 2019

Dear Sirs

Claimant/Applicant: London Block Exchange Ltd
Defendant/Respondent: Squire Patton Boggs UK LLP (Solicitors)
Court: Senior Courts Costs Office

And Winding Up Petition: Squire Patton Boggs -v-London Block Exchange Ltd

Thank you for your yesterday's letter ("**your Letter**") sent to this Firm by post and fax although previous communications had been made by the sender by e-mail. Given that your Letter arrives 2 working days before the hearing and 14 days after our previously unacknowledged e-mail with Draft Directions, we are responding by e-mail @10:30am.

We sent our proposed Draft Directions by e-mail on 9th April 2019 immediately after the hearing in front of Master Rowley. The Directions and our e-mail to your Firm also formed part of our client's Witness Statement in the Winding Up proceedings at the High Court of Justice on 10th April 2019. As you are aware your Firm has attempted to wind up our client in relation to your 2 requests for payment that our client disputes and that are at the fulcrum of the SCCO matter.

The upcoming SCCO hearing could have been avoided had your Firm agreed or attempted to agree the said Directions. In your Letter you state that you do not agree with them. In the meantime, and absent your reply for 14 days, an Order has been made by Master Rowley that could have been avoided had you responded to our e-mail of 9th April 2019.

In paragraph 3 of your Letter, you state that you have not been served with a copy of the issued proceedings. Your Firm was served with a copy of same on 4th April 2019. A further copy was additionally served and filed in the Winding Up Petition on 4th April 2019 together with a copy of our email to your Firm of 9th April 2019. A further reference to same is made in our e-mail written to your Firm on 25th April 2019. Moreover, your Firm failed to provide a Bundle for Hearing at the High Court on 10th April 2019 in your Winding Up petition and a reference to same is again made in our e-mail of 25th April. This Firm had no choice but to produce the bundle to ensure that your hearing goes ahead and as part of that bundle given your counsel at Court, we enclosed a copy of the issued proceedings yet again.

Further to your paragraph 4, please note that we did not draft nor served the Order, the SCCO did. We enclose its courtesy copy that we trust was sent to you directly by the SCCO. The Order contains a Notice of Hearing. As you may be aware, the SCCO rarely issues Notices of Hearing and there had previously been an Order of 9th April 2019 listing the matter on 30th April 2019. Additionally, that



date was given by the Master at the 9th April 2019 hearing that you attended in person. We note that your Firm is unrepresented in the SCCO proceedings.

We disagree with your paragraph 5. There are no preliminary issues before a Final Bill is delivered. Our client is entitled to one and we had requested it in our pre-action correspondence.

In relation to your paragraph 6, we have asked the SCCO to determine the position of the Retainer. We will be writing to you further confirming the position on how your Firm became involved with our client via a third-party contractor, who was, we are instructed, not a Director and nor an employee of our client. We have made submissions on this issue to the High Court at the related Winding Up Petition hearing on 10th April 2019, where your Firm is not legally represented but where you had instructed counsel.

In relation to your paragraph 7, there has in fact been correspondence in relation to this letter and its utility. We respectfully refer you to, inter alia, the e-mail sent to your firm on 25th April 2019 that sets out the position at length. The key difficulty with that letter and any reply thereto, is that it refers to Without Prejudice Save as to Cost and Without Prejudice Save as to Costs of the Assessment communications in open correspondence. It may not, for that reason alone, form part of any bundle other than WPSAC and/or WPSACA.

With respect, your paragraph 8 is unfortunately unclear. Your paragraph 9, it is also unclear. You have not issued a Final Bill under Statute. The position is stated in our client's application and a Witness Statement of its Director of 9th April 2019 filed in the Winding Up proceedings and served on your Firm. We disagree with your position on your entitlement to fees. The time points of your Firm beginning to charge solicitors' fees and ending same, remain unclear. We respectfully refer you, yet again, to our e-mail sent to your Firm on 25th April. We do not accept the last sentence of your paragraph 9.

In relation to your paragraph 10, as we understand, you appear to wish to have a hearing that we have given you an opportunity vacate and to file Directions by consent. You will recall that Master Rowley more or less indicated that he thought the parties should be able to agree the directions and just send them in to approve, but you had not responded to our e-mail with the Draft Directions that you did not agree nor attempted to agree. The Master also gave his thoughts that the sums involved were all rather small. Should you disagree with the above, we would be prepared to share half of the costs of the transcript of the 9th April SCCO hearing.

You are not entitled to any security for costs and your position on same is, with respect, mistaken. You have issued requests for payments and you now appear to wish to have security for costs in relation to a production and delivery of a Bill of Costs that our client is simply entitled to.

Finally, please confirm the basis upon which you are holding any money on behalf of our client in your client account and the status of same together with your position on the payee. Please confirm if that payee is also, in your view, your client.

What we believe needed to happen was for you to have engaged with this Firm on 9th April 2019 and thereafter and attempted to agree a Consent Order for directions or at least narrow the issues down for the Master and then leave further points to be dealt with in the assessment process. That Consent Order needed to have been applied to the timetable of Winding Up proceedings, but it was not and there is now a separate High Court Order with several deadlines fast approaching. Please confirm if you have a copy of that Order and if not, we will forward it to you. It was drafted by your Firm's counsel and we take issue therewith, but this is not a point for the SCCO matter.



For the above reasons, we will produce copies of the past correspondence in this matter seeking Costs of the Assessment.

We hope that you agree that the costs of all this matter are getting out of hand. Our client is, nevertheless, entitled to a proper Statute Bill without any costs and your Firm continues to attempt to wind it up without any determination of the SCCO action.

Yours faithfully,


W Legal Limited

Encl.

From: <raf.demczuk@wlegal.co.uk>
Date: Thursday, 25 April 2019 at 23:51
To: "Hill, Russell" <russell.hill@squirepb.com>
Cc: Nigel Kushner <nigel.kushner@wlegal.co.uk>, Paul White <pwhiteis@aol.com>
Subject: Squire Patten Boggs LLP (Solicitors) -v- London Block Exchange Ltd & London Block Exchange Ltd -v- Squire Patten Boggs LLP (Solicitors)

25th April 2019

Dear Sirs

**Squire Patten Boggs LLP (Solicitors) -v- London Block Exchange Ltd
London Block Exchange Ltd -v- Squire Patten Boggs LLP (Solicitors)**

Thank you for your below e-mail of 23rd April 2019 ("**your E-mail**").

As you are aware, two separate sets of proceedings are afoot and given the high level of previous inter partes correspondence, we would be grateful if further correspondence could be somewhat limited to save costs. We are mindful that the above disputes concern sums that are not substantial in comparison to the input thus far provided by both sides. We further note that your Firm is not legally represented and is acting in Person in both matters.

In your E-mail, in paragraph 1, you assert that you have not had a substantive reply to your letter dated 8th April 2019 ("**your Letter**") sent to this Firm by e-mail, fax and post. We will re-consider the replies sent and respond again as per your request. We will try to assist you as best as we can. As previously stated, your open Letter refers to Without Prejudice Save as to Costs and Without Prejudice Save as to Costs of the Assessment correspondence making a reply in open correspondence difficult.

You have not confirmed your reasons for referring to both WPSAC and WPSACA correspondence in an open letter. As you have placed a degree of importance on your Letter, we respectfully remind you that it may not form any part of the inter partes correspondence. It would need to remain as WPSAC and/or WPSACA unless parties are willing to engage in a process of negotiated redactions that we do not propose.

As you are aware, since your Letter, there have been 2 hearings in the above proceedings that concern, the same, several thousand pounds of solicitors' fees that you seek. As you are aware, our client disputes your requests for payment. Both hearings were necessitated by your Winding Up Petition that our client continues to contest. Our pre-action requests for a delivery of a Final Solicitors Bill of Costs were made with a view of avoiding our client's application to the SCCO. Your Letter pre-dates the hearing before Master Rowley at the SCCO on 9th April 2019 that we hoped clarified the position on costs. On the day of the SCCO Hearing i.e. on 9th April 2019, we sent you our proposed Directions that we were hoping to agree by Consent, but you have not responded or acknowledged that proposal. The proposed Directions additionally formed an Exhibit to our client's Witness Statement in the Winding Up Hearing on 10th April 2019.

In reply to paragraph 2 of your E-mail, we would be grateful if you could confirm:

- a) The basis upon which you continue to hold monies in your client account that, were paid on behalf of our client and exceed the value of your requests for payments and the value of your Winding Up Petition
- b) The reason why the above point has not been reflected in the status of your Petition or your counsel's submissions to the Learned Judge at the Winding Up hearing on 10th April 2019. Should this be in dispute, we are willing to share the cost the transcript.
- c) Both cases would be assisted if you could confirm your position on the beginning and the end point of your provision of billable legal services to our client

Turning to the Winding Up Petition that you have advertised in the Gazette, we respectfully request, for the third time now, that you disclose the following:

1. Any and all contact made with your Firm as a result of the Winding Up Petition and/or its advertisement. Please confirm if any party/creditor has ever made contact with your Firm and if so, we respectfully request

that you disclose the entirety of same. If it is your position that you have not been contacted by any such a party, please confirm this by return.

Further to your paragraph 2:

2. Please confirm the circumstances that you refer to, namely: *"that your client may have been making payments to some creditors after the presentation of the winding up petition"*. Please confirm how the above was *"brought to your attention"* on 23rd April 2019 *"whilst writing"* your E-mail.
3. You will appreciate that it is difficult to respond to conjectures expressed in your below paragraph 2 such as *"your client may"*, *"we assume"*, *"should the winding up order be granted"*, *"we suspect"* etc. Our client continues to dispute your Winding Up Petition and any basis for same.

As a final Winding Up Petition point, we were grateful for your e-mail of 9th April 2019 @18:46 responding to our request for a Bundle that you did not produce but instead referred us to 25.27 of the Chancery Guide, that we agreed to @19:25. The said Guide states at **25.14**:

*"A hearing bundle must be lodged in accordance with Chapter 15 for all claims where there are more than 30 pages and/or all hearings that have a listing time of 15 minutes or more. There is a strict policy of **"no bundle, no hearing"**. Bundles should contain copies of all documents relevant to the hearing. The person seeking a remedy at the hearing is responsible for the bundle being lodged..."*

Not only was your Petition over 30 pages but the Hearing unsurprisingly exceeded 15 minutes because it was contested. On 4th April 2019, we filed a notice of an objection, namely our SCCO Application that your Petition documentation, did not reflect. Your counsel did not mention our objections to the Court but instead focused on the Witness Statement that was only filed as a result of no agreement at the SCCO hearing before Master Rowley on 9th April 2019. As you are aware, we have produced a paginated bundle for your Winding Up Petition to assist the High Court at the 10th April 2019 hearing. Your counsel was given a copy of that bundle that we hope you have received.

Yours faithfully,

W LEGAL LIMITED

From: "Hill, Russell" <russell.hill@squirepb.com>
Date: Tuesday, 23 April 2019 at 10:19
To: Raf Demczuk <raf.demczuk@wlegal.co.uk>
Cc: Nigel Kushner <nigel.kushner@wlegal.co.uk>
Subject: London Block Exchange Limited

Dear Sirs

We refer to our letter dated 8 April 2019 and note we are yet to receive a substantive response. Please may we therefore have a response to our letter by return.

Whilst writing, it has been brought to our attention that your client may have been making payments to some creditors after the presentation of the winding up petition. We assume that your firm has advised the Company on its ability to make such payments, the restrictions imposed by the Insolvency Act 1986 and the potential personal liability of the sole director of the Company, which could be created as a result of making such payments. Should a winding up order be made, we suspect an appointed liquidator will take great interest in any payments made after the presentation of the petition.

We look forward to hearing from you.

Yours faithfully

Squire Patton Boggs (UK) LLP

From: Raf Demczuk <raf.demczuk@wlegal.co.uk>
Sent: 27 March 2019 17:03
To: Hill, Russell <russell.hill@squirepb.com>; Thomas, Rory <rory.thomas@squirepb.com>
Cc: Dingle Clark <d.clark@goldsmithchambers.com>
Subject: [EXT] Re: Our Client: London Block Exchange Ltd

Dear Sirs

A Final Bill under State is, with respect, what every Firm of Solicitors does and we would be grateful if you could refer to the Solicitors' Act for same. You have not issued one and we have required you to do so.

What is urgently required:

1. Your Final Solicitors' Bill under statute
2. Immediate withdrawal of your winding up petition – today.
3. A copy of your Letter of Engagement signed by our client.

Kind regards,

Raf Demczuk
W Legal Limited

From: "Hill, Russell" <russell.hill@squirepb.com>
Date: Wednesday, 27 March 2019 at 16:52
To: Raf Demczuk <raf.demczuk@wlegal.co.uk>, "Thomas, Rory" <rory.thomas@squirepb.com>
Cc: Dingle Clark <d.clark@goldsmithchambers.com>
Subject: RE: Our Client: London Block Exchange Ltd

Dear Sirs

Invoices for the commercial work undertaken for your client (which were agreed in advance by your client) have already been provided and at no point in the past 10 months have they been disputed by your client. Indeed your client has made numerous promises to pay the invoices but has simply failed to do so. Please therefore explain what provisions of "Statute" you consider a "final bill" or any further information is required?

We look forward to your response.

Yours faithfully

Squire Patton Boggs (UK) LLP

From: Raf Demczuk <raf.demczuk@wlegal.co.uk>
Sent: 27 March 2019 16:35
To: Hill, Russell <russell.hill@squirepb.com>; Thomas, Rory <rory.thomas@squirepb.com>
Cc: Dingle Clark <d.clark@goldsmithchambers.com>
Subject: [EXT] Re: Our Client: London Block Exchange Ltd

Dear Sirs

All of the inter partes correspondence will form part of the Hearing bundle and will be presented to the Court, as you know, you need to serve a Final Bill under Statute. You could have emailed it already.

Please serve your Final Bill under Statute by 12pm tomorrow and confirm that you are withdrawing your winding up petition this afternoon. We are drafting the SCCO application now and will seek costs from you as previously advised.

Kind regards,

Raf Demczuk
W Legal Limited



47 Red Lion Street
London, WC1R 4PF
info@wlegal.co.uk
www.wlegal.co.uk
Tel: +44 (0) 20 7220 9130
Fax: +44 (0) 20 7112 4833

Squire Patton Boggs
Rutland House
148 Edmund Street
Birmingham
B3 2JR

26th March 2019

Initially by e-mail: russell.hill@squirepb.com

Dear Sirs

RE: Our Client London Block Exchange Ltd

We act for the above client ("**our Client**") and accept service for same also by e-mail. Please refrain from further direct correspondence with our client.

We are instructed that you are claiming a payment of a Solicitors' Bill from our client and we would be grateful if you could forward us, preferably by e-mail, a copy of your Final Solicitors' Bill under statute ("**your Bill**"). We additionally request a Certificate of Service in relation to the service of your Bill.

We understand that you have issued proceedings in the High Court of Justice, but our client has not been served with same. Please forward us a copy of your issued claim and/or any issued Application so we may file a Notice of Acting.

We look forward to hearing from you at your earliest convenience.

Yours faithfully,


W Legal Limited

From: Marcin Nawrocki <marcin.nawrocki@londonblockexchange.com>
Sent: 15 January 2019 15:50
To: Hill, Russell <russell.hill@squirepb.com>
Subject: [EXT] Re: Squire Patton Boggs - Invoices

Good morning Russ.

Please stop emailing me as there is nothing I can do about these invoices. I am also a contractor who is hired by LBX to help with specific tasks hence do not control invoice payments to other counterparties nor myself.

There are two people on this email chain – Ben Dives (LBX CEO) and Jono McLeod (COO). I was instructed by Benjamin to complete work regarding the financial regulation (March-2018). I have no visibility or any information about the second invoice, really sorry.

Benjamin: +447801933288

Jono: +447973252215

Hope this helps,

Marcin.

Balance Sheet
London Block Exchange Ltd
As at 30 April 2019

30 Apr 2019 30 Apr 2018

Assets

Bank

CFS 09 Old Operations 4JUN18	£11,574.82	£11,574.82
CFS 14 Operations 31OCT18	-£58,713.03	£3,684.84
CFS 25 Old Client Fnds 31OCT1	£79,201.20	£79,201.20
CFS 28 OTC Acct 31OCT18	£382,321.67	£0.00
CFS 52 New Client Fnds 31OCT	-£1,437,943.44	£128,394.20
CFS 97 Liquidity 31OCT18	£687,812.13	£0.00
Ethertrade (EUR) 28FEB18 FINA	£437.95	£448.26 <i>Note: 1</i>
Ethertrade (GBP) 21APR18 FIN	£155,439.11	£155,439.11
LBX Custody Ltd	£27,267.55	£0.00
LBX Pay GBP	£54,955.29	£0.00
LBX Stripe Memberships	£3,960.96	£1,637.56
LHV Operations (EUR)	£477.55	£0.00 <i>Note: 1</i>
LHV Operations (GBP)	£0.32	£0.00
SignatureNY	-£16,166.05	£0.00 <i>Note: 1</i>
Tide Account Benjamin	£3,414.55	£15,559.19
TrustPay (EUR)	£9,777.08	£10,007.28 <i>Note: 1</i>
TrustPay (GBP)	£20,153.98	£20,723.22
Total Bank	-£76,028.36	£426,669.68

Current Assets

Accounts Receivable	£24,222.99	£10.00
Crypto Treasury Account	£123,852.97	£123,852.97
Total Current Assets	£148,075.96	£123,862.97

Fixed Assets

Computer Equipment	£27,736.56	£21,519.84
Intangibles	£145,022.25	£80,454.44
Office Equipment	£4,636.26	£4,250.68
Total Fixed Assets	£177,395.07	£106,224.96

Total Assets	£249,442.67	£656,757.61
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Liabilities

Current Liabilities

Accounts Payable	£1,610,857.93	£1,214,636.25
AMEX Biggerflip 31OCT18 FINAL	£13,965.21	£13,574.89
AMEX LBX 31OCT18 FINAL	£22,363.05	£0.00
LBX E Money Client Funds	£127,444.20	£127,444.20
LBXu Sales	-£59,387.50	£0.00
NIC Payable	£83,449.51	£10,523.08
PAYE Payable	£3,809.30	£7,884.62
Pensions Payable	£15,660.41	£0.00
Rounding	£110.33	£110.33
Student Loan Deductions Payat	£15,450.00	£1,541.00
VAT	-£27,045.63	-£436,475.30
Wages Payable - Payroll	£87,183.03	£0.30
Total Current Liabilities	£1,893,859.84	£939,239.37

Non-Current Liabilities

Adam Bryant Loan Acct	£24,100.00	£0.00
Benjamin Dives Loan Acct	£54,042.02	-£16,543.19

Johnny Commonwealth Loan Ac	£824,754.13	£290,000.00
Johnny Sandelson Loan Acct	£2,642,540.84	£2,396,106.53
Jono McLeod Loan Acct	£395,483.74	£113,652.97
Jose Neif Loan Account	£154,532.46	£0.00
Kraken Account	-£20.00	-£20.00
LBX Custody Loan Account	£46,052.74	£0.00
LBX ICO Loan Account	-£6,562.50	£0.00
LBX Trading Ltd	£217,047.60	£0.00
OTC Net Trading Result	-£534,227.94	-£122,202.00
Total Non-Current Liabilities	£3,817,743.09	£2,660,994.31
Total Liabilities	£5,711,602.93	£3,600,233.68
Net Assets	-£5,462,160.26	-£2,943,476.07
Equity		
Current Year Earnings	-£1,011,468.01	-£2,886,139.46
Retained Earnings	-£4,450,692.24	-£57,336.61
Total Equity	-£5,462,160.25	-£2,943,476.07

Notes:

- 1: Figures converted into British Pound using the following rates:
1.16680 EUR Euro per GBP. Rate provided by XE.com on 01 Apr 2019.
1.31139 USD United States Dollar per GBP. Rate provided by XE.com on
2: Figures converted into British Pound using the following rate:
1.13996 EUR Euro per GBP. Rate provided by XE.com on 30 Apr 2018.

ORDER In the High Court of Justice
Senior Courts Costs Office
Master Rowley

Case number:
JR 1902065

Parties	London Block Exchange Limited -and- Squire Paton Boggs UK LLP	Claimant Defendant
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On 30 April 2019 before Master Rowley sitting in Court 100 at the Strand, London

UPON THE APPLICATION of the Claimant



AND UPON HEARING the costs lawyer for the Claimant and the legal executive for the Defendant

IT IS ORDERED that:

- (1) There is to be a preliminary issues hearing at 10.30am on Friday, 6 September 2019 before Master Rowley sitting in Court 100, Thomas More Building, Royal Courts of Justice, Strand London WC2A 2LL (half a day aHowed).
- (2) The preliminary issues are:
 - (a) Was there a retainer between the Claimant and the Defendant?
 - (b) Are the invoices numbered 2622803 and 2624225 and dated 29 March 2018 and 25 April 2018 respectively interim statute bills?
- (3) The Claimant is to serve upon the Defendant the evidence upon which it intends to rely in respect of the preliminary issues by 4pm on 28 May 2019.
- (4) The Defendant is to serve upon the Claimant any evidence in reply by 4pm on 25 June 2019.
- (5) The parties are to serve any skeleton arguments by 4pm on Tuesday 3 September 2019.
- (6) The Claimant is to file an agreed bundle, including any skeleton arguments, by 4pm on Wednesday 4 September 2019.
- (7) Any person providing a witness statement is to be ready to be cross examined upon its contents at the hearing unless the parties have agreed beforehand that such attendance is not required.
- (8) The costs of this application are reserved.

The court office at the Senior Courts Costs Office, Thomas More Building, Strand, London WC2A2LL is open between 10 am and 4.30 pm Monday to Friday. Address all communications to the Court Manager quoting the SCCO reference number

On behalf of: Applicants
Made by: Russell Hill
Second statement
Made on: 1 May 2019
Exhibits: RH2

CLAIM NO: CR-2019-001356

IN THE HIGH COURT OF JUSTICE
BUSINESS AND PROPERTY COURTS OF ENGLAND AND WALES
COMPANIES COURT (ChD)

IN THE MATTER OF LONDON BLOCK EXCHANGE LTD
AND IN THE MATTER OF THE INSOLVENCY ACT 1986
AND IN THE MATTER OF THE INSOLVENCY (ENGLAND AND WALES)
RULES 2016
BETWEEN:

SQUIRE PATTON BOGGS (UK) LLP

Petitioner

and

LONDON BLOCK EXCHANGE LTD

Respondent

SECOND WITNESS STATEMENT
OF RUSSELL HILL

I, **RUSSELL HILL** of Squire Patton Boggs (UK) LLP, solicitor, of Rutland House,
148 Edmund Street, Birmingham, B3 2JR will say:

Introduction

1 I am a partner in the Petitioner firm in the proceedings and I make this
statement in reply to the witness statement of Benjamin Dives of London

Block Exchange Ltd served on the Petitioner on 9 April 2019 and as directed by the court on 10 April 2019.

- 2 I am duly authorised to make this Witness Statement on behalf of the Petitioner.
- 3 All facts and matters contained in this statement are true to the best of my knowledge.
- 4 Unless otherwise stated, the contents of this statement are based on my own knowledge. Where the matters to which I refer are derived from other sources, I have explained the source of my information and the matters are true to the best of my belief.
- 5 There is now produced and shown to me marked "RH2" a paginated bundle of true copy documents to which I shall refer in this statement. All references to page numbers are to page numbers in RH2.

First Instruction

- 6 On 13 March 2018, the Petitioner was approached by the Respondent to carry out some urgent legal work in relation to the creation of a custody agreement between the Respondent and its customers. The work was of an urgent nature and needed to be completed by 21 March 2018. An initial email of instruction dated 13 March 2018 was sent to Mr Andrew Overend ("**Mr Overend**"), a Senior Associate in the Petitioner's firm, by Mr Marcin Nawrocki ("**Mr Nawrocki**") of the Respondent. The email was copied to Benjamin Dives ("**Mr Dives**"), then the sole director and shareholder of the Respondent, and Mr Adam Bryant ("**Mr Bryant**") who subsequently became a director on 3 May 2018. A copy of this email is produced at pages 3 and 4.
- 7 On 15 March 2018, a fee estimate of £2000 plus VAT and disbursements was provided by the Petitioner and this was accepted by the Respondent in an email timed at 16:49 on 15 March 2018 from Mr Nawrocki, again copying in Mr Dives and Mr Bryan. A copy of this email is produced at pages 1 and 2.
- 8 Accordingly, on 16 March 2018, the Petitioner agreed to undertake the work requested and it was agreed in a further exchange of emails that the Respondent would be engaged as the Petitioner's client. Mr Dives and Mr Bryant were again copied into this exchange of emails, which are produced at pages 5 to 9.
- 9 At 13:26 on 16 March 2018, a copy of Mr Dives' passport was sent by email to the Petitioner as proof of identity of the sole director of the Respondent. Mr Dives was, once again, copied in to this email, which is produced at page 10 to 16.
- 10 An email copy passport was not sufficient for money laundering identity checks as the document was not independently certified by a solicitor. However, Mr Dives was a personal contact of Mr Overend, to whom the initial enquiry for legal services was made. A copy of the vouch note,

produced by Mr Overend, confirming his relationship with Mr Dives is attached at page 17. This allowed the Respondent to be incepted as a client of the firm.

- 11 Mr Overend no longer works for the Petitioner.
- 12 Due to the urgent nature of the work required, the Petitioner commenced drafting immediately and over the course of the following four days, instructions were sought and received and the work was completed in short order. In an email dated 20 March 2018 timed at 19:56, attached at page 18, the Respondent acknowledges the conclusion of the work and thanks the Petitioner for the quick turnaround.
- 13 A formal client engagement letter (**CEL**) was sent by email and post on 21 March 2018. In an email timed at 10:57 on 21 March 2018, Mr Nawrocki acknowledged receipt of the engagement letter and confirmed he had passed it to Mr Dives to sign. A copy of this email is attached at pages 23 and 24 together with a copy of the CEL and the matter acknowledgement letter ("**MAL**") at pages 25 to 29.
- 14 Following the conclusion of the instruction, an invoice totalling £2250 plus VAT was sent to the Respondent in respect of the first phase of work on 5 April 2018. A file copy of the letter sending the invoice appears at page 30.
- 15 I understand that it is the Respondent's position that Mr Nawrocki was an independent contractor and had no power to bind the Respondent. It is clear from the email exchanges, each of which Mr Dives was copied into, that the Respondent held out Mr Nawrocki as having power to bind and give instructions for an on behalf of the Respondent. Mr Nawrocki's email address "@londonblockexchange.com" was identical to that of Mr Dives and at no point did Mr Dives, despite being copied into almost every email, seek to challenge the instructions given, nor did he challenge the CEL dated 21 March 2018.
- 16 Further, attached at page 31 is a screen print of Mr Nawrocki's LinkedIn profile in which he records his position as a Management Consultant for the Respondent.
- 17 If Mr Nawrocki did not have actual power or authority to bind the Respondent, he was clearly held out to have the power or authority to do so. Mr Dives, as sole director of the Respondent, made no attempts to dissuade the Petitioner that was not the case, despite being copied into numerous emails and receiving an engagement letter from the Petitioner.
- 18 I also understand that it is the Respondent's position that as it did not return a signed engagement letter to the Petitioner, it is not obliged to pay for the legal services rendered. I understand that the absence of a letter of engagement does not mean there cannot be a valid retainer. However, and in any event, the CEL contains the following wording: "*We would be grateful if you would countersign and return the enclosed copy of this letter, for our records. However, whether or not you do so, the giving of instructions to us by you will signify your acceptance of the terms and*

conditions set out in this letter, the Standard Terms and the Matter Acknowledgement Letter issued for any individual matter.”.

- 19 Until the Petitioner was contacted by the Respondent's new solicitors, W Legal Limited, on 29 March 2019 (over a month after the Petition had been issued and nearly 12 months after the initial engagement) the Respondent had never questioned the retainer or the existence of the solicitor/client relationship. As discussed below, the Respondent had even made numerous promises to pay the outstanding debts due to the Petitioner. I am therefore unsure why the Respondent has chosen to make this claim at such a late stage.

Second Instruction

- 20 In an email dated 31 March 2018, the Respondent instructed the Petitioner on a second matter requesting advice in relation to a “listing fee agreement and an initial digital assessment agreement”. On this occasion, the instructions were received from a Mr Dean White, Head of Sales for the Respondent (“**Mr White**”).
- 21 The Petitioner provided a scope of work and a fee estimate in an email dated 9 April 2018. Over a subsequent exchange of emails, concluding on 16 April 2018 copies of which appear at pages 32 to 38, the instructions were clarified and agreed and the fee estimate was revised to £5500-£6000. It will be noted that in the last email in the chain, timed at 13:38 on 16 April 2018, that Mr White confirms he needed to discuss the fee quote and scope of work with Mr Dives before it could be agreed.
- 22 In a subsequent email timed at 14:09 on 16 April 2018, attached at pages 39 to 45, Mr White confirmed that he had approval for the fee quote and the work commenced. I believe, given the foregoing, that the approval came from Mr Dives.
- 23 The work in respect of this second matter was completed in accordance with instructions and, in an email dated 25 April 2018, the Petitioner requested permission to raise an invoice for the work undertaken. Although fees were incurred in excess of the fee estimate set out in paragraph 21 above, the Petitioner agreed to cap its fees at £6000 plus VAT in accordance with the fee estimate. The request for permission to raise an invoice contained an explanation of the period over which the time was recorded and an explanation of the work to which it related. The Respondent accepted the request and invited the Petitioner to raise an invoice. The Petitioner acknowledged the agreement and confirmed that a final invoice would be provided. The entire exchange of emails is attached at pages 46 to 52.
- 24 The invoice, together with a full breakdown of the fees incurred, was sent by email on 30 April 2018. A copy of the email and supporting documentation is attached at pages 53 to 56.

Interim Statute Bills

- 25 I understand that as an alternative argument, the Respondent contests that the invoices to which the petition relates (the "**Invoices**") do not comply with the requirements of the Solicitors Act 1974. I have asked the Respondent's solicitors on numerous occasions to explain why the Respondent considers this to be the case but they have not explained why. They have merely stated that they do not constitute interim statute bills and instead only represent interim requests for payment.
- 26 The CEL referred to at paragraph 13 above contains the following statement: "*Unless we agree differently in writing, we shall be entitled to deliver monthly "interim" bills to you for fees and other charges during the course of a matter, and a "final" bill when the matter is concluded. Unless otherwise stated, all interim bills rendered by us will be interim statute bills. (An interim statute bill is a self-contained bill which is final in nature but covers an interim period). We may also deliver bills to you for other charges at any time after they have been incurred (which may be after the legal work on a matter has been concluded, and may therefore be after the "final" bill).*" According to the email from Mr Narwocki referenced at paragraph 13 above, Mr Dives received the CEL and was therefore aware of this provision.
- 27 In respect of both sets of instructions, the Invoices were raised at the conclusion of the respective work streams for the fixed period of time. At no time did the Petitioner notify the Respondent of any deviation from the above and, in the case of the second invoice, specifically referenced the invoice as a "final invoice".
- 28 The Invoices were addressed to and sent to the Respondent. The Invoices were signed by the Petitioner and contained statements regarding the Petitioner's complaints procedure, the Respondents rights to taxation/assessment and the Petitioner's right to claim interest on unpaid invoices.

Promises for payment

- 29 The Invoices were due for payment within 14 days of issue. The respondent did not pay the Invoices and did not raise any query or dispute in the relation to the nature, validity or quantum of the Invoices.
- 30 The Petitioner, through its credit control team, has repeatedly requested payment of the Invoices from the Respondent and on numerous occasions, as shown at pages 114 to 121, the Respondent promised to make full or partial payments, but failed to do so. The Respondent did not raise any query or dispute in the relation to the nature, validity or quantum of the Invoices.
- 31 In February 2019, I had a telephone call and subsequently met with Mr Dives and another former director, Jono McLeod, to discuss financial issues being experienced by the Respondent and to offer my assistance. Mr Dives and Mr McLeod informed me the Company had approximately £1,000,000 of trade creditors and was considering a CVA proposal along

with further fund raising options. During the call and the meeting, the Respondent did not raise any query or dispute in the relation to the nature, validity or quantum of the Invoices with me.

- 32 I sent a brief note of advice to Mr Dives regarding the financial difficulties the Respondent was facing, however this, and my subsequent emails, were ignored so a final letter of demand, enclosing a draft winding petition was sent to the Petitioner on 14 February 2019 (Pages 61 to 66).
- 33 Mr Dives responded to my email at 9:24 on 14 February 2019, suggesting that once a convertible loan had been triggered, the Respondent could "start paying us back". The Respondent did not raise any query or dispute in the relation to the nature, validity or quantum of the Invoices.
- 34 Payment was not received from the Respondent and so I chased again on the 18 February 2019. The Respondent did not reply and so the Petition was issued on 25 February 2019 (Pages 67 to 89). The Petition was sent by email to Mr Dives on 27 February 2019 and served personally at the Respondent's registered office on 28 February 2019, as evidenced by the certificate of service (without enclosures) signed by Ian Bignold of A1 Bailiff Services Ltd (pages 90 and 91).
- 35 Mr Dives responded to my email enclosing the Petition at 10:21 on 27 February 2019 stating that the outstanding debt would be cleared by 1 March 2019. The Respondent did not raise any query or dispute in the relation to the nature, validity or quantum of the Invoices. However, no payments were in fact received.
- 36 While I was on annual leave, my colleagues received further contact from Mr Dives on 5 March 2019 who requested details of the total amounts due, including costs of the Petition. Again, the Respondent did not raise any query or dispute in the relation to the nature, validity or quantum of the Invoices. The total sum outstanding was provided to Mr Dives and an agreement reached that if the sums were paid by 5pm on 11 March 2019, the Petition would not be advertised and that the Petitioner would seek to withdraw it. Payment was not received.
- 37 I then received further promises to pay the sums due from Mr Dives and on or around 11 March 2019, I was contacted by a Mr Jonathan Sandelson ("Mr Sandelson") who stated that he was looking to invest in the Respondent and would pay off the outstanding debt, including the Petition costs. In a subsequent call and exchange of emails, I agreed a further extension of time before the Petitioner would advertise the Petition, provided the Invoices and the petition costs were paid by 5pm on 13 March 2019. No payment was received from the Respondent or Mr Sandelson.
- 38 Having received no further contact or payment from the Respondent or Mr Sandelson, the Petitioner advertised the Petition on 19 March 2019.
- 39 At 13:11 on 20 March 2019, I received a text message from Mr Dives suggesting that that Mr Sandelson would be making a payment and asking if, once paid, the Petition would be withdrawn. Mr Dives did not

raise any query or dispute in the relation to the nature, validity or quantum of the Invoices.

- 40 On 20 March 2019, the Petitioner received a payment of £13,000 from Mr Sandelson on behalf of the Respondent (Page 92). I informed Mr Sandelson that the amount paid was not sufficient to pay off the Petition debt in full as further costs had now been incurred in relation to the Petition which would also need to be discharged.
- 41 On 27 March 2019, the Petitioner received a letter from W Legal Limited, instructed by the Respondent, disputing the Petitioner's entitlement to any fees in connection with the work performed in respect of the above. This was the first time the Respondent had raised any query or dispute in relation to the nature, validity or quantum of the Invoices since they were issued nearly 12 months before.
- 42 As the Respondent has raised a dispute with regard to the Petitioner's entitlement to any fees, the Petitioner has not yet applied the £13,000 received from Mr Sandelson to the Invoices to avoid any further argument regarding misappropriation of funds.

SCCO Proceedings

- 43 On 4 April 2019, the Respondent issued proceedings in the Senior Courts Costs Office ("SCCO") in respect of the Petitioner's entitlement to costs. The Respondent's proceedings failed to particularise the reasons for disputing the Petitioner's entitlement to payment or why they do not constitute interim statute invoices.
- 44 As a result, the Petitioner responded to the Respondent on 8 April 2019 requesting a detailed explanation of the Respondent's dispute. A copy of that letter is attached at pages 93 to 121. Despite several requests for a response, no formal response has been received at the time of signing this witness statement. I am therefore still unsure of why the Respondent does not believe the Invoices are valid interim statute invoices.
- 45 A hearing took place in the SCCO Proceedings on 30 April 2019. At the hearing the judge ordered that there be a preliminary issues hearing to deal with:-
- whether there was a valid/enforceable retainer and
 - whether final/statute bills were delivered.

This hearing is listed for a half day hearing on 6th September 2019 and directions have been given for service of the Respondent's evidence within 28 days and the Petitioner's evidence 28 days thereafter. I await a sealed copy of the order made.

Press Statement

- 46 On 29 April 2019, cryptocurrency news outlet Coindesk.co.uk ("CoinDesk") reported on the Petition on its website. According to the

article, a copy of which appears at pages 122 to 123, Mr Dives had contacted CoinDesk in response to the article and is quoted as saying:

"Dives told CoinDesk that the debt in question is only £9,900 (around \$12,787). Squire Patton Boggs drafted terms and conditions for LBX's website and provided some other legal services, Dives said. The bill wasn't paid on time, so the law firm got angry and demanded a higher fee, he claimed. "The bill didn't come to my attention until it was very late," Dives said. According to him, LBX sent the money to the law firm "within 24 hours of the petition being issued."

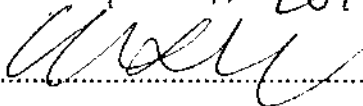
- 47 It appears from this statement that Mr Dives accepts that the Petitioner carried out work for the Respondent and does not appear to challenge the validity of the engagement or the entitlement to payment, as he expressly acknowledges that the Petitioner had not been paid on time. This appears directly to contradict the Respondent's SCCO application.

Supporting Creditors

- 48 On 29 April 2019, I received a notice of intention to appear on behalf of Stobbs (IP) Ltd who state they are owed £39,616.39 by the Respondent. It is their intention to appear at the hearing of the petition and to support it. A copy has been provided at page 125.
- 49 On 1 May 2019, I received notice of intention to appear on behalf of Mr Gavin Pereira who states that he is owed £76,007.62 by the Respondent. It is his intention to appear at the hearing of the petition and to support it. A copy has been provided at page 124.
- 50 On 1 May 2019, I received notice of intention to appear on behalf of Dearg Obartuin Ltd who state that they are owed £25,510.92 by the Respondent. It is their intention to appear at the hearing of the petition and to support it. A copy has been provided at page 126.
- 51 I have also been contacted by one further creditor who has informed me that they are owed approximately, £50,000 but have chosen to take their own action rather than formally support the petition.

I believe that the facts stated in this witness statement are true.

Dated

1 May 2019

.....

RUSSELL HILL

On behalf of: Petitioner
Made by: Russell Hill
Second statement
Made on: 1 May 2019
Exhibits: RH2

CLAIM NO CR-2019-001356

**IN THE HIGH COURT OF JUSTICE
BUSINESS AND PROPERTY COURTS OF
ENGLAND AND WALES
COMPANIES COURT (ChD)**

**IN THE MATTER OF LONDON BLOCK
EXCHANGE LTD
AND IN THE MATTER OF INSOLVENCY ACT
1986
AND IN THE MATTER OF THE INSOLVENCY
(ENGLAND AND WALES) RULES 2016
BETWEEN:**

**SQUIRE PATTON
BOGGS (UK) LLP**

Petitioner

and

**LONDON BLOCK
EXCHANGE LTD**

Respondent

**SECOND WITNESS STATEMENT
OF RUSSELL HILL**

**Squire Patton Boggs (UK) LLP
Rutland House, 148 Edmund Street,
Birmingham, B3 2JR
Tel: +44 121 222 3000
Fax: +44 121 222 3001
Ref: LON.333-0001**

Solicitors for the Petitioner



47 Red Lion Street
London, WC1R 4PF
info@wlegal.co.uk
www.wlegal.co.uk
Tel: +44 (0) 20 7220 9130
Fax: +44 (0) 20 7112 4833

Squire Patton Boggs
Rutland House
148 Edmund Street
Birmingham
B3 2JR

4th May 2019

Initially by e-mail: russell.hill@squirepb.com

Dear Sirs

Squire Patton Boggs LLP Solicitors -v- London Block Exchange Ltd
Case number: CR-2019-001356
Court: The High Court of Justice

We write further to the Order made at the Insolvency and Companies Court by Judge Barber (Chief Registrar) on 10th April 2019 that ordered, you the Petitioner to, inter alia, to: “*serve evidence in reply by 4pm on 1st May 2019*”.

Although you e-mailed several very large files to this Firm on 1st May: (1) we have had some difficulties opening some of them, (2) we do not accept service by e-mail, (3) *service* is particularised in CPR and (4) you, the Petitioner, are also a Firm of solicitors practising in the area of law pertinent to your own Petition.

We have finally received, in the post, your letter dated 1st May 2019, enclosing your Witness Statement (“**the Witness Statement**”) that is served, as per CPR, on 3rd May 2019 i.e. 2 days after the due date.

We write urgently, further to contact from our client’s Director, who has discovered that you have enclosed an A4 size copy of his Passport (“**the Passport copy**”) with all of his personal data thereon, as an Exhibit to your Witness Statement. Our client’s Director is most distressed by this action compromising his sensitive personal data.

Consequently, we require that you give an undertaking to immediately, and in any event no later than by midday on 7th May 2019, withdraw the Passport copy from any and all copies of the Witness Statement and that you confirm full details of any and all parties that have received your Witness Statement in the current form, i.e. inclusive of the Passport copy.

Yours faithfully,


W Legal Limited



Squire Patton Boggs (UK) LLP
Rutland House
148 Edmund Street
Birmingham
B3 2JR
United Kingdom
DX 708610 Birmingham 17

7 May 2019

By email to raf.demczuk@wlegal.co.uk

O +44 121 222 3000
F +44 121 222 3001
squirepattonboggs.com

W Legal Limited
47 Red Lion Street
London
WC1R 4PF

Lauren Cope
T +44 121 222 3438
DF +44 870 460 2707
lauren.cope@squirepb.com

Our ref SXT1/AJW4

Your ref RD/LBE/01

Dear Sirs

Squire Patton Boggs (UK) LLP v London Block Exchange Ltd
Case number: CR-2019-001356

We write in response to your letter dated 4 May 2019, in respect of the service of our evidence.

Insofar as your second paragraph is concerned, we make the following comments using your numbering:-

- 1 Please clarify "some" difficulty and "some" of them. Identify the precise problem and the precise emails you have been unable to open and why.
- 2 Incorrect, please see your emails of 22 March and 4 April 2019.
- 3 We are aware of the provisions of the CPR relating to service.
- 4 Please clarify the point you are trying to make here.

In the circumstances, our evidence has not been served 2 days late.

In respect of the passport copy, the General Data Protection Regulations ("**GDPR**") allow the processing of personal data if it complies with a legal obligation (Article 6). The legal obligation here is our duty to produce an accurate statement of facts. The GDPR also allows processing where the parties have a "legitimate interest", clearly the case here too.

Given that the use of the passport copy is necessary in documenting the truth of the contents of our witness statement and will have a minimal privacy impact on the director, we see no reason for the use of the passport copy to compromise his sensitive personal data. It has only been necessary to exhibit the passport copy at all because of the director's position

47 Offices in 20 Countries

Squire Patton Boggs is the trade name of Squire Patton Boggs (UK) LLP, a Limited Liability Partnership registered in England and Wales with number OC 335584 authorised and regulated by the Solicitors Regulation Authority. A list of the members and their professional qualifications is open to inspection at 7 Devonshire Square, London, EC2M 4YH. The status "partner" denotes either a member or an employee or consultant who has equivalent standing and qualifications.

Squire Patton Boggs (UK) LLP is part of the international legal practice Squire Patton Boggs, which operates worldwide through a number of separate legal entities.

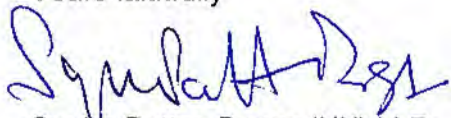
Please visit squirepattonboggs.com for more information.



that he did not engage this firm to undertake any work and that we did not have a valid retainer. We are perfectly entitled to produce evidence to contradict that assertion.

Notwithstanding the above, we are prepared to give an undertaking to the effect that we will not disclose the passport copy to any parties other than W Legal Limited and the Court, being the only entities to have received the witness statement and exhibit to date.

Yours faithfully



Squire Patton Boggs (UK) LLP

Enclosure



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www.wlegal.co.uk
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Court Officer
The High Court of Justice
Business and Property Courts
Companies Court

By e-file

8th May 2019

Dear Sir or Madam

Squire Patton Boggs LLP Solicitors -v- London Block Exchange Ltd
Case number: CR-2019-001356

As the Court is aware, we act for the Company in the above matter.

We write further to the Order of Judge Barber (Chief Registrar) of 10th April 2019 that ordered the Petitioner to, inter alia, to: "*serve evidence in reply by 4pm on 1st May 2019*".

The Petitioner has sent us "*Second Witness Statement of Mr Russell Hill*" dated 1st May 2019 enclosing, on page 16 of an exhibit thereto, an enlarged A4 photocopy of a Passport of our client's Director and a copy of same, we understand, has been filed with/sent to the Court.

The Petitioner has since given an undertaking that only 2 copies of the Passport copy have been sent, one to us and one to the Court. Please urgently seal the Passport copy as "*Private and Confidential*" so it must not be disclosed to any party viewing the Court file or requesting a copy of that Witness Statement filed by the Petitioner. Our client's Director is concerned that his sensitive personal data, inclusive of his date of birth, place to birth, passport number and a biometric photo are now unsecured on the Court file as a result of the Petitioner's filing.

We are grateful to the Honourable Court for its ongoing assistance and apologise for any inconvenience caused but the Company had not control over the above.

Yours faithfully,


W Legal Limited



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Mr Gavin Pereira
7 Somerset Way
Iver
SL0 9AG

Your ref: LBX GBP
Our ref: RD/LBE /01

8th May 2019

Dear Mr Pereira

Petitioner: Squire Patton Boggs UK LLP (Solicitors)
Company: London Block Exchange Ltd

We act for the above Company ("**our client**") and write in relation to your Notice of Persons intending to appear ("**the Notice**") that bears your name.

Please confirm the following as a matter of urgency:

1. The identity of the person who signed the Notice.
2. The identity of the person who wrote date on the Notice by hand.
3. The date on which the Notice was signed.
4. The particulars of you coming into contact with the Petitioner, please confirm when and how you were approached if applicable and if it is your position that you were not approached, the particulars of when and how you approached the Petitioner.
5. The basis of your position as a creditor, as stated in the Notice, inclusive of any proof of you being a creditor of our client.
6. Certificate of Service of the Notice.

You will be aware of the Order made in the above matter and the deadline of 15th May 2019 for the rejoinder evidence.

Finally, please confirm if you have had a copy or sight of the Petitioner's Witness Statement of 1st May 2019 that encloses your Notice, and whether you have given permission for same to be attached thereto.

Yours faithfully,

W Legal Limited



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Squire Patton Boggs
Rutland House
148 Edmund Street
Birmingham
B3 2JR

13th May 2019

Initially by e-mail: russell.hill@squirepb.com & devinder.singh@squirepb.com

Dear Sirs

Squire Patton Boggs LLP Solicitors -v- London Block Exchange Ltd
Case number: CR-2019-001356
Court: The High Court of Justice

Thank you for your letter dated 7th May 2019 ("**your Letter**"), where you state that you write "*in respect of service of evidence*" but our letter of 4th May 2019 was not in respect of evidence but in respect of your Firm having disclosed our client's Director's enlarged- A4 size of a photo-passport page, that is not evidence but sensitive personal data.

As you are aware, there are currently parallel proceedings on almost the same issue of your solicitor's invoices at the High Court of Justice: (1) at the Senior Court Costs Office and (2) at the Business and insolvency Courts.

We have proposed that the SCCO matter proceeds before your Petition, so the issue of the disputed retainer and your disputed Final Bill is determined by Costs Master Rowley, but you have refused. As a result, almost same proceedings continue at 2 different venues. In your e-mail of 1st May 2019, you stated: "*We do not agree with your proposal*".

You ask us to respond to your Letter having recently confirmed that you were unwilling to enter into further correspondence. In your e-mail of 1st May 2019, you state: "*To avoid the parties incurring any further unnecessary costs, we do not intend to debate either matter any further*". In our e-mail of 29th April 2019, we stated: "*Please respond to the points made in our Friday letter, below emails and in particular to the above (4)*" but you have not responded. We respectfully invite you to look at the previous professional correspondence sent to your Firm.

Consequently, there is a long list of outstanding issues that you have not responded to or not responded to substantively. These are, inter alia, the urgent matters raised in relation to your Firm:

- a) holding of £13,000 since 20th March 2019, in your solicitors' client account and your basis for holding these funds
- b) particulars of your contact with any other parties representing as creditors or possible creditors

Despite your lack of substantive reply, we herein respond to your Letter adopting your own numbering:

1. Your files are unfortunately too large, difficult to open and as any such large files might have posed a possible cybersecurity risk without having received a prior and proper notification from the recipient that they had been given a digital bill of health. We had your Witness Statement in the post, and it is not a large document that could have been easily scanned into 1 manageable file. You have scanned it into 4 very large attachments and there are established alternatives to same e.g. *egress*, *data graphics* or even *cjasm* that might have been utilised with parties' prior agreement.

2. You are mistaken with the dates you quote, we first contacted your firm on 27th March 2019, and we did not write to you on 22nd March. Although we initially offered for parties to accept service in the proceedings, you did not acknowledge nor respond to this offer. Consequently, on 4th May 2019, we informed you that you were in breach of CPR r.32.10 in respect of the Order of 10th April 2019 of Chief Registrar Baber. In your e-mail of 1st May, you stated: "*Directions have been set in both sets of proceedings and we expect both parties to comply with them.*" We support that position and we now have your Witness Statement.

3. We refer to CPR r.32.10. With respect, you were previously in breach of 25.14 of the Chancery Guide when on 10th April 2019 at Court we produced the bundle to save your hearing. In your prior and further correspondence, you continued to incorrectly argue the point after we explained it in detail to your Firm. In your e-mail of 26th April 2019, you stated incorrectly:

"we have attached again: a) copy of the winding up petition which contains a total of 10 pages; and b) a copy of the witness statement in support which contains a total of 13 pages, both of which together only contain 23 pages, not the "over 30" which you state below. That is simply incorrect."

You stated the above despite the position expressed in our email sent to you on the day before i.e. on 25th April 2019:

*"As a final Winding Up Petition point, we were grateful for your e-mail of 9th April 2019 @18:46 responding to our request for a Bundle that you did not produce but instead referred us to 25.27 of the Chancery Guide, that we agreed to @19:25. The said Guide states at **25.14**:*

*"A hearing bundle must be lodged in accordance with Chapter 15 for all claims where there are more than 30 pages and/or all hearings that have a listing time of 15 minutes or more. There is a strict policy of "**no bundle, no hearing**". Bundles should contain copies of all documents relevant to the hearing. The person seeking a remedy at the hearing is responsible for the bundle being lodged..."*

The Bundle was **over 30 pages** because on 4th April 2019 we filed an objection to your Winding Up Petition that consists of 29 pages thus making the bundle on 4th April, **59 pages**. Further, our client served and filed a Witness Statement. Despite a suggestion from Master Rowley made on 9th April 2019, you did not agree any SCCO Directions right after the hearing on 9th April 2019 and our client accounted for that matter thereby. That Witness statement consists of further 36 pages with its 2 Exhibits. The Bundle we produced and handed over to your counsel on 10th April 2019 was **95 pages** and 2 weeks later you still wrote to us claiming that it was unnecessary and that it was 23 pages.

On Friday 25th April 2019, after not responding for 2 weeks to our e-mail with Draft Directions, you wrote to us stating, that your Firm had not been *served* with the SCCO Claim, but you were of course served multiple times as per our letter of 25th April 2019:

"Your Firm was served with a copy of same on 4th April 2019. A further copy was additionally served and filed in the Winding Up Petition on 4th April 2019 together with a copy of our email to your Firm of 9th April 2019. A further reference to same is made in our e-mail written to your Firm on 25th April 2019. Moreover, your Firm failed to provide a Bundle for Hearing at the High Court on 10th April 2019 in your Winding Up petition and a reference to same is again made in our e-mail of 25th April. This Firm had no choice but to produce the bundle to ensure that your hearing goes ahead and as part of that bundle given your counsel at Court, we enclosed a copy of the issued proceedings yet again."

Further, there was a problem, as you know, with your Certificate in respect of the Petition and in previous correspondence you appeared to have wanted us to explain what a Final Solicitors' Bill was.

4. We understand that it is your position that you acted for our client and were its solicitors. On that basis, our client's Director is concerned about your approach to the sensitive data in question. Please also see to the above (3).

You have been made aware of the distress that the Passport disclosure caused to our client's Director who will now need to change his passport and obtain a new one from the Identity and Passport Office. We would be very grateful if you could confirm that you would cover the small Passport fee associated with same.

When writing to you on 4th May 2019, we were hoping that your enclosure of the Passport was made inadvertently but, in your Letter, you give reasons for deliberately enclosing same and state *"the use of passport copy is necessary in documenting the truth"*.

As you can see, we continue to attempt to resolve the matter of the Passport amicably despite your confirmation that the enclosure of same was not inadvertent.

We were not referring to GDPR when we wrote to you on the issue of the Passport. It is not just a GDPR issue, where personal details not limited to date of birth, place of birth, passports number, biometrics photo and other sensitive personal details are available to any third party inspecting the Court file.

You state that you *"see no reason for the passport copy to compromise his sensitive personal data"*. Information Commissionaire, Action Fraud and Passport and Identity Office all give extensive and publicly available advice on such matters. You will also be aware of your responsibilities in storing, administering personal data. Please confirm the basis upon which you received and continue to store our client's passport copy.

In paragraph 2 of page 2 of your Letter, you cite a different reason for the disclosure of the Passport page and refer to the SCCO proceedings that deal with the matter of your Firm's disputed retainer and you state that you are *"perfectly entitled to produce (it)"*. We ask that you reconsider your position and your sense of, as you say, *entitlement* to our client's Director's personal sensitive data.

We enclose a copy of our letter to the Court asking for the Passport part of your Witness Statement to be sealed.

We hope that you agree that the costs of all this matter are getting out of hand. Our client is, nevertheless, entitled to a proper Statute Bill without any costs and your Firm continues to attempt



to wind it up without any determination of the SCCO action. Our client's Director is also entitled to safeguard his personal sensitive data.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'W Legal'.

W Legal Limited

Encl.

Court Officer
The High Court of Justice
Business and Property Courts
Companies Court

By e-file

8th May 2019

Dear Sir or Madam

Squire Patton Boggs LLP Solicitors -v- London Block Exchange Ltd
Case number: CR-2019-001356

As the Court is aware, we act for the Company in the above matter.

We write further to the Order of Judge Barber (Chief Registrar) of 10th April 2019 that ordered the Petitioner to, inter alia, to: "*serve evidence in reply by 4pm on 1st May 2019*".

The Petitioner has sent us "*Second Witness Statement of Mr Russell Hill*" dated 1st May 2019 enclosing, on page 16 of an exhibit thereto, an enlarged A4 photocopy of a Passport of our client's Director and a copy of same, we understand, has been filed with/sent to the Court.

The Petitioner has since given an undertaking that only 2 copies of the Passport copy have been sent, one to us and one to the Court. Please urgently seal the Passport copy as "*Private and Confidential*" so it must not be disclosed to any party viewing the Court file or requesting a copy of that Witness Statement filed by the Petitioner. Our client's Director is concerned that his sensitive personal data, inclusive of his date of birth, place to birth, passport number and a biometric photo are now unsecured on the Court file as a result of the Petitioner's filing.

We are grateful to the Honourable Court for its ongoing assistance and apologise for any inconvenience caused but the Company had not control over the above.

Yours faithfully,



W Legal Limited

IN THE HIGH COURT OF JUSTICE
SENIOR COURT COSTS OFFICE
COSTS JUDGE ROWLEY

CLAIM NO: JR 1902065

BETWEEN:

LONDON BLOCK EXCHANGE LTD

Claimant

- and -

SQUIRE PATTON BOGGS (UK) LLP

Defendant

**CLAIMANT'S SUBMISSIONS ON THE PRELIMINARY ISSUES
PURSUANT TO ORDER OF MASTER ROWLEY DATED 30th APRIL 2019**

In accordance with the comment made by Master Rowley on 30th April 2019 and the Order of same date, the Claimant sets out details of the preliminary issues as follows:

A. Was there a Retainer between the Claimant and Defendant:

There is no signed Letter of Engagement between the parties. The Defendant states that it has conducted work for the Claimant and that Defendant was a solicitor for the Claimant. The Claimant's position is that the Defendant was approached via an external contractor Mr Marcin Nawrocki not an employee and not a Director for work useful to that contractor as a friend to a friend. The Claimant admits that Marcin Nawrocki from time to time utilized an email address with the domain of the Claimant but was never an employee, nor a Director and was never authorized by the Claimant to contractually bind it. Claimant's details are available on Companies House and a firm of solicitors would have had access to its very short list of Directors and the Articles of Association that are on the Companies House online. A friend of that contractor, a solicitor asserted that responsibility for the Defendant. The Defendant sent invoices to that contractor who with a delay i.e. in 2019 asserted that the responsibility for payment was on the Claimant. The Defendant uncritically followed that suggestion. There was and has never been any signed nor agreed Retainer between the Claimant and Defendant. The Claimant has not expressly agreed to the Defendant's Terms and Conditions. Moreover, the Claimant is simply unable to ascertain what work has been done and at what cost. The Defendant refused to provide it with its Final Solicitors' Bill and applied to the High Court to Wind the Claimant Up on the basis of the Defendants' invoices.

The Claimant is a money exchange business and was under the impression that should they need to engage a Firm of Solicitors, a face to face meeting would have been necessary for Know Your Customer/ Anti Money Laundering purposes and there was no such a meeting.

The Defendant has acted adversely and unambiguously towards the Claimant and the Claimant did not find that consistent with actions of a firm of solicitors acting for a client. The Defendant has made a negative press comment on its Winding Up action and enclosed an enlarged A4 size photo page of a passport of the Claimant's Director with a Witness Statement thereby compromising that Director's personal data. The Defendant has implied that it is a "friend" of the Claimant and gave otiose insolvency advice out of the remit of its purported retainer.

The Claimant rejects an argument that if an email with an attachment is sent but it is not signed nor explained, then a solicitors' firm becomes instructed by a client.

B. Are the invoices numbered 2622803 and 2624225 dated 29th March 2018 and 25th April 2018 respectively interim statute bills:

On the face of each invoice it merely gives the matter headings and the one-line narrative '*To our professional services in the above matter.*' The two invoices do not state that they are interim or final statute bills. They do not show the periods in which they cover. The invoices do not provide details of any instructions for the work done nor do they provide sufficient, if any, narrative to identify as to the work undertaken to enable advice to be taken as to their reasonableness.

The invoices/bills issued by the Defendant were never signed by the Claimant and neither was the covering letter attaching them.

C. Parallel proceedings

The Defendant has refused to give priority to the SCCO proceedings that the Claimant suggested are prioritized before the contested Winding Up proceedings. The Claimant is solvent, and the Defendant has applied to Wind the Claimant up before the SCCO determination of the above issues A-B. The Claimant continues to be solvent. Parallel proceedings in the same High Court of Justice continue unnecessarily. The Defendant has never issued any money claim nor sent a Letter of Claim to the Claimant.

D. Evidence

The Claimant intends to rely upon the entirety of evidence served thus far in all, inclusive of the Parallel proceedings concerning the above A-B issues in question.

Paul White
Costs Draftsman for the Claimant
DATED: 28th MAY 2019

IN THE HIGH COURT OF JUSTICE
SENIOR COURT COSTS OFFICE
COSTS JUDGE ROWLEY

CLAIM NO: JR 1902065

BETWEEN:

LONDON BLOCK EXCHANGE LTD

Claimant

- and -

SQUIRE PATTON BOGGS (UK) LLP

Defendant

**CLAIMANT'S SUBMISSIONS ON THE PRELIMINARY ISSUES
PURSUANT TO ORDER OF MASTER ROWLEY DATED 30th APRIL 2019**

In accordance with the comment made by Master Rowley on 30th April 2019 and the Order of same date, the Claimant sets out details of the preliminary issues as follows:

A. Was there a Retainer between the Claimant and Defendant:

There is no signed Letter of Engagement between the parties. The Defendant states that it has conducted work for the Claimant and that Defendant was a solicitor for the Claimant. The Claimant's position is that the Defendant was approached via an external contractor Mr Marcin Nawrocki not an employee and not a Director for work useful to that contractor as a friend to a friend. The Claimant admits that Marcin Nawrocki from time to time utilized an email address with the domain of the Claimant but was never an employee, nor a Director and was never authorized by the Claimant to contractually bind it. Claimant's details are available on Companies House and a firm of solicitors would have had access to its very short list of Directors and the Articles of Association that are on the Companies House online. A friend of that contractor, a solicitor asserted that responsibility for the Defendant. The Defendant sent invoices to that contractor who with a delay i.e. in 2019 asserted that the responsibility for payment was on the Claimant. The Defendant uncritically followed that suggestion. There was and has never been any signed nor agreed Retainer between the Claimant and Defendant. The Claimant has not expressly agreed to the Defendant's Terms and Conditions. Moreover, the Claimant is simply unable to ascertain what work has been done and at what cost. The Defendant refused to provide it with its Final Solicitors' Bill and applied to the High Court to Wind the Claimant Up on the basis of the Defendants' invoices.

The Claimant is a money exchange business and was under the impression that should they need to engage a Firm of Solicitors, a face to face meeting would have been necessary for Know Your Customer/ Anti Money Laundering purposes and there was no such a meeting.

The Defendant has acted adversely and unambiguously towards the Claimant and the Claimant did not find that consistent with actions of a firm of solicitors acting for a client. The Defendant has made a negative press comment on its Winding Up action and enclosed an enlarged A4 size photo page of a passport of the Claimant's Director with a Witness Statement thereby compromising that Director's personal data. The Defendant has implied that it is a "friend" of the Claimant and gave otiose insolvency advice out of the remit of its purported retainer.

The Claimant rejects an argument that if an email with an attachment is sent but it is not signed nor explained, then a solicitors' firm becomes instructed by a client.

B. Are the invoices numbered 2622803 and 2624225 dated 29th March 2018 and 25th April 2018 respectively interim statute bills:

On the face of each invoice it merely gives the matter headings and the one-line narrative '*To our professional services in the above matter.*' The two invoices do not state that they are interim or final statute bills. They do not show the periods in which they cover. The invoices do not provide details of any instructions for the work done nor do they provide sufficient, if any, narrative to identify as to the work undertaken to enable advice to be taken as to their reasonableness.

The invoices/bills issued by the Defendant were never signed by the Claimant and neither was the covering letter attaching them.

C. Parallel proceedings

The Defendant has refused to give priority to the SCCO proceedings that the Claimant suggested are prioritized before the contested Winding Up proceedings. The Claimant is solvent, and the Defendant has applied to Wind the Claimant up before the SCCO determination of the above issues A-B. The Claimant continues to be solvent. Parallel proceedings in the same High Court of Justice continue unnecessarily. The Defendant has never issued any money claim nor sent a Letter of Claim to the Claimant.

D. Evidence

The Claimant intends to rely upon the entirety of evidence served thus far in all, inclusive of the Parallel proceedings concerning the above A-B issues in question.

Paul White
Costs Draftsman for the Claimant
DATED: 28th MAY 2019

Respondent Company
P.White
Second
Exhibits PW/1
17.06.2019

Case no: CR2019-001-356

IN THE HIGH COURT OF JUSTICE

BUSINESS AND PROPERTY COURTS OF ENGLAND AND WALES

INSOLVENCY AND COMPANIES LIST

SQUIRE PATTON BOGGS UK LLP (Solicitors)

Applicant

-and-

LONDON BLOCK EXCHNAGE LTD

Respondent

**FIRST WITNESS STATEMENT OF
PAUL WHITE**

1. I am a Costs Lawyer and Costs Draftsman. I have approximately 40 years of experience in dealings with solicitors' costs and entitlement thereto. It is fair and accurate to state that I am a very experienced costs lawyer. I am instructed and authorised by the Respondent to provide this Witness Statement. The facts and matters in this First Witness Statement are within my own knowledge save where I have indicated otherwise. Where I have indicated that matters are not within my own knowledge, I have indicated the sources of my information and belief.

2. I am making this Witness Statement in support of the Company's application to list the Winding Up hearing after the conclusion of the very similar proceedings that are currently live at the High Court of Justice Senior Court's Costs Office ("SCCO"). In these

proceedings the Company made a claim for a Costs Judge to assess the Petitioner's entitlement to any solicitors' costs and determine whether there has ever been a solicitors' retainer between the Petitioner and the Company. The Petitioner has applied to Wind Up the Company on the basis of 2 invoices that the Company disputes. The invoices are not sufficiently particularised, do not constitute a proper Solicitors' Bill of Costs and I am unable to advise the Company on their content due to the manner they have been issued. I do not believe that any other costs lawyer may advise the Company on the contents of these invoices for same reasons.

3. A relationship between a solicitor and a client is governed by the 1974 Solicitor's Act ("the Act") and this includes strict and specific rules for solicitors billing their clients. Solicitors' clients are treated differently than ordinary consumers of services and there are specific rules on what constitutes a solicitor's interim request for payment and a Final Bill of Solicitors' Costs under the Act. A client of a solicitor is entitled to a detailed and itemised Bill free of charge.

4. The Company challenges the Petitioner's entitlement to any costs and considers it improper for the Petitioner to have issued a Winding Up Petition on the basis of its 2 interim requests for payment that do not, on the Company's case, constitute a proper Bill of Solicitors costs that the Company is entitled to. Despite request, to date, the Petitioner has still not issued its Final Bill under the Act.

5. On 4th April 2019 the Respondent issued a Claim at the SCCO under the 1974 Solicitors Act against the Petitioner and challenged: the Petitioner's entitlement to claiming any solicitors' fees whatsoever, their unparticularised quantum and the existence of any Retainer between the parties. The Company has never signed the Petitioner's Letter of Engagement and disputes that the Petitioner has ever been its solicitor.

6. There has been a series of hearings in the SCCO heard by Master/Costs Judge Rowley, where I represent for the Company. Master Rowley made it clear at the hearings and particularly on 30th April 2019 that the SCCO is best equipped to adjudicate upon the issues between the Petitioner and the Company and deals with such disputes as a matter of daily lists.

7. Because of these comments, the Company's claim having been issued as valid, a timetable in place, I believe that the SCCO will have by mid September 2019 resolved the position of the two invoices and thereby save the Court's time in the Winding Up proceedings.

8. Although the Petitioner continues to proceed with the Petition, since 20th March 2019, the Petitioner has held £13,000 that was paid to it by the Company's investor in relation to the disputed £9,900 required in order to close the matter but the Petitioner still proceeded on 10th April 2019.

9. The SCCO matter proceeded because the Petitioner not only failed to agree the standard directions as suggested by Master Rowley on 9th April 2109 but did not respond for 2 weeks and responded on a Friday before the Monday 30th April hearing not agreeing them. There is now a timetable for the SCCO matter that occurred with a delay as a result of Petitioner's actions. The Company asked for a hearing at the SCCO on 9th April 2019 a day before the Winding Up hearing of 10th April 2019, in order to affirm the SCCO proceedings. At that hearings Master Rowley suggested agreed Directions that were sent to the Petitioner immediately after the hearing in the afternoon of 9th April but the Petitioner did not respond.

10. The Company proposed that the SCCO matter proceeds before the Petition, so the issue of the disputed retainer and your disputed Final Bill is determined by Costs Master Rowley, but on 1st May 2019 in correspondence, the Petitioner refused to stay the Winding Up Petition in order for the SCCO to resolve the issue in question.

11. Having dealt with disputes of solicitors 's costs for most of my professional life, I agree with Master Rowley that this matter is best resolved by the SCCO before the Winding Up proceedings.

STATEMENT OF TRUTH

I believe that facts stated in this Witness Statement are true.

Paul White

17th June 2019

ORDER In the High Court of Justice
Senior Courts Costs Office
Master Rowley

Case number:
JR 1902065

Parties	London Block Exchange Limited	Claimant
	-and-	
	Squire Paton Boggs UK LLP	Defendant



On 30 April 2019 before Master Rowley sitting in Court 100 at The Royal Courts of Justice, Strand, London

UPON THE APPLICATION of the Claimant

AND UPON HEARING the costs lawyer for the Claimant and the legal executive for the Defendant

IT IS ORDERED that:

- (1) There is to be a preliminary issues hearing at 10.30am on Friday, 6 September 2019 before Master Rowley sitting in Court 100, Thomas More Building, Royal Courts of Justice, Strand London WC2A 2LL (half a day allowed).
- (2) The preliminary issues are:
 - (a) Was there a retainer between the Claimant and the Defendant?
 - (b) Are the invoices numbered 2622803 and 2624225 and dated 29 March 2018 and 25 April 2018 respectively interim statute bills?
- (3) The Claimant is to serve upon the Defendant the evidence upon which it intends to rely in respect of the preliminary issues by 4pm on 28 May 2019.
- (4) The Defendant is to serve upon the Claimant any evidence in reply by 4pm on 25 June 2019.
- (5) The parties are to serve any skeleton arguments by 4pm on Tuesday 3 September 2019.
- (6) The Claimant is to file an agreed bundle, including any skeleton arguments, by 4pm on Wednesday 4 September 2019.
- (7) Any person providing a witness statement is to be ready to be cross examined upon its contents at the hearing unless the parties have agreed beforehand that such attendance is not required.
- (8) The costs of this application are reserved.

The court office at the Senior Courts Costs Office, Thomas More Building, Strand, London WC2A 2LL is open between 10 am and 4.30 pm Monday to Friday. Address all communications to the Court Manager quoting the SCCO reference number

ORDER In the High Court of Justice
Senior Courts Costs Office
Master Rowley

Case number:
JR 1902065



Parties London Block Exchange Limited
-and-
Squire Paton Boggs UK LLP

On 9 April 2019 before Master Rowley sitting in Court 100 at The Royal Courts of Justice, Strand, London

UPON THE APPLICATION of the Claimant

AND UPON HEARING the costs lawyer for the Claimant and the legal executive for the Defendant

IT IS ORDERED that:

- (1) The directions hearing is adjourned to 10.30am on 30 April 2019
- (2) The costs of this application are reserved

IN THE HIGH COURT OF JUSTICE

CLAIM NO: JR 1902065

SENIOR COURT COSTS OFFICE

COSTS JUDGE ROWLEY

BETWEEN:

LONDON BLOCK EXCHANGE LTD

Claimant

- and -

SQUIRE PATTON BOGGS (UK) LLP

Defendant

UPON THE APPLICATION OF THE CLAIMANT

AND UPON AGREEMENT REACHED BETWEEN THE PARTIES

IT IS ORDERED BY CONSENT THAT

(1) The Defendant must within 28 days deliver to the Claimant, or to his solicitors, a Bill of Costs in respect of invoices number 2622803 dated 29th March 2018 and invoice number 2624225 dated 25th April 2018.

(2) The Defendant must give credit in that bill for all money received by him from or on account of the bills mentioned in Item (1).

(3) The Claimant to serve Points of Dispute within 28 days of the date of the Bills of Costs of the Defendant to include any issues in relation to the Retainer.

(4) The Defendant to serve any Replies within 28 days of service upon the of Points of Dispute.

(5) Either party to apply for a Detailed Assessment hearing within 3 months of the date of service of Replies.

DATED the APRIL 2019

Respondent
B.Dives
First
Exhibits BD/1-BD/2
9.04.2019

IN THE HIGH COURT OF JUSTICE

Case no: CR2019-001-356

BUSINESS AND PROPERTY COURTS OF ENGLAND AND WALES

INSOLVENCY AND COMPANIES LIST

SQUIRE PATTON BOGGS UK LLP (Solicitors)

Applicant

-and-

LONDON BLOCK EXCHNAGE LTD

Respondent

STATEMENT OF BENJAMIN DIVES

1. I am the Director of the Respondent I am authorised by the Respondent to provide this Witness Statement. The facts and matters in this First Witness Statement are within my own knowledge save where I have indicated otherwise. Where I have indicated that matters are not within my own knowledge, I have indicated the sources of my information and belief.

2. The Respondent is a limited company that is a payments services institution. It holds client money for individuals and business who wish to transact on the Internet. It employs 10 people and I am the only Director of the Respondent. The Respondent Company is registered with the Financial Conduct Authority and has suffered reputational damage as a result of the Applicant's advertisement of the Winding Up in the Gazette. The Respondent's turnover per year is approximately £500,000.

3. In the Petition, the Applicant wishes to wind up the Respondent on the basis of 2 interim request for payments. The Applicant is a Firm of Solicitors and is governed by the rules on solicitors bills as per the 1974 Solicitors' Act. These rules are in place to protect consumers of solicitors' services. It is the Respondent's case that the Applicant has not adhered to those rules and has not issued nor delivered its Final Bill of Costs under Statute.

4. The Applicant has not issued a money claim but has instead issued the Winding Up proceedings. As a result, the Respondent has exercised its right and issued an Application at the Senior Courts Costs Office for the delivery of the Solicitors Final Bill of Costs and thereafter for the assessment of the solicitors' fees by a Costs Master. That issued Application was served on the Applicant and additionally filed with the High Court in these proceedings on 4th April 2019. Prior to that date, the Respondent requested a Final Bill of Solicitors Costs from the Applicant, but the Applicant has not provided one to date and the Respondent has had no choice but to make its Application to the Senior Courts Costs Office. A copy of the Respondent's Application is enclosed herewith as **Exhibit BD/1** together with the Applicant's advertisement in the Gazette.

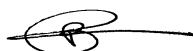
5. The Respondent apologises for the late filing of this Witness Statement but a telephone hearing took place today at 12:30pm, at short notice, and in light of the listing of the Winding Up Petition, at the Senior Courts Costs in front of Master Rowley. As **Exhibit BD/2** I enclose a Draft Order that followed, prepared by my costs lawyer and sent to the Applicant for its agreement. The Respondent has also requested the Senior Courts Costs Office to adjudicate on the issue as to whether there has ever been a Retainer between the Applicant and the Respondent. It is the Respondent's position that no Letter of Engagement has been signed by a Director of the Respondent. It is the Respondent's position that there was no Retainer between the Applicant and the Respondent.

6. The 2-interim request for payment forming the basis of the Applicant's Petition are disputed and are considered to have been incorrectly issued. They do not contain the necessary information that would enable the Respondent to seek professional advice as to whether the charges applied are correct and proportionate. In their current format they do not give rise to solicitors' fees. Nevertheless, the Respondent's investor has placed £13,000 with the Applicant.

7. The Respondent respectfully requests that the Petition be dismissed.

STATEMENT OF TRUTH

I believe that facts stated in this Witness Statement are true.



Benjamin Dives

9th April 2019

Respondent
B.Davies
First
Exhibits BD/1-BD/2
9.04.2019

IN THE HIGH COURT OF JUSTICE

Case no: CR2019-001-356

BUSINESS AND PROPERTY COURTS OF ENGLAND AND WALES

INSOLVENCY AND COMPANIES LIST

SQUIRE PATTON BOGGS UK LLP (Solicitors)

Applicant

-and-

LONDON BLOCK EXCHNAGE LTD

Respondent

EXHIBIT BD/1

TO

**WITNESS STATEMENT OF
BENJAMIN DAVIES**

SCHEDULE OF COSTS PRECEDENTS
PRECEDENT J



IN THE HIGH COURT OF JUSTICE

Claim No

SENIOR COURTS COSTS OFFICE

IN THE MATTER OF Squire Patton Boggs UK LLP (Solicitors)

Claimant: LONDON BLOCK EXCHANGE LTD

Defendant: SQUIRE PATTON BOGGS UK LLP (SOLICITORS)

SEAL

CLAIM FORM (CPR Part 8)

Details of claim (see also overleaf)

The following Orders are applied for:

- (1) An Order for a Hearing to be fixed to determine whether any terms of a retainer exist between parties.
- (2) An Order in standard form for the delivery of Bill of Costs in all cases and matters, if any such a retainer exists between parties in which the Defendant has acted for the Claimant.
- (3) An Order that the Winding up Petition issued and advertised by the Defendant be stayed and or be dismissed pending the outcome of these proceedings.
- (4) An order dealing with the costs of this application

Defendant's name and address:

Squire Patton Boggs UK LLP (Solicitors)
Rutland House, 148 Edmund Street
Birmingham B3 2JR

£ 55

Court fee
Solicitor's Cost
Issue date

The court office at the Senior Courts Costs Office is open between 10.00 am and 4.30 pm, Monday to Friday, when corresponding with the court, please address forms or letters to the Court Manager and quote the claim number.

Claim No.

Details of claim (continued)

The Defendant has issued and rendered 2 invoices in the total sum of if £9,900 as follows:

(1) Invoice number 2622803, Date: 29th March 2018, amount of £2,700 said to be for professional services provided in respect of financial regulation.

(2) Invoice number: 2624225, dated 25th April 2018, amount: £7,700 said to be for professional services provided in respect of a listing fee agreement.

No detail has been provided as to how these invoices have been calculated and they do not comply with section 69 of the 1974 Solicitors Act and do not constitute a Final Solicitors' Bill under the 1974 Solicitors Act. A Final Solicitors' Bill under the Act has been requested from the Defendant for all monies, but it has not been issued and the Defendant has not confirmed that it is willing to issue it despite requests. It appears that the Claimant now requests further solicitors' fees.

The Defendant has made an application to wind up the Claimant on the basis of unpaid invoices for its solicitors' fees. The Defendant has advertised the Winding up Petition in the Gazette and the Hearing is listed on 11th April 2019 in the High Court of Justice under case number CR-2019-001356.

There is doubt as to whether there has ever been and continues a proper and complete retainer between parties.

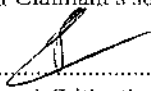
Statement of Truth

*(I believe) (The Claimant believes) that the facts stated in these particulars of claim are true.

*I am duly authorised by the Claimant to sign this statement.

Full name Raf Demczuk, W LEGAL Ltd.....

Name of Claimant's solicitor's firm W LEGAL Ltd

Signed  position or office held .. Member, W Legal Ltd.....

*(~~Claimant~~) (~~Litigation friend~~) (Claimant's solicitor) (if signing on behalf of firm or company)

*delete as appropriate

Claimant's or claimant's solicitor's address to which documents should be sent if different from overleaf. If you are prepared to accept service by DX, fax or e-mail, please add details.

Ref. RD
W LEGAL Ltd
47 Red Lion Street
London, WC1R 4PF

London Block Exchange Ltd
Kemp House
160 City Road
London
EC1V 2NX

29 March 2018

Our Ref:	Matter Number:	Your Ref:	Bill No:	
PA2/PA2	LON.333-0001	Marcin Nawrocki	2622803	
		VAT	Disbursements	Fees
		GBP	GBP	GBP
Financial Regulation				
To our charges for professional services in the above matter		450.00		2,250.00
Total		450.00		2,250.00
With Our Compliments				
THIS BILL IS DUE FOR PAYMENT WITHIN 14 DAYS OF ISSUE				
Complaint			Add Disbursements	0.00
You may object to this bill by way of our complaints procedure (described in our Global Engagement Letter to you); by making a complaint to the Legal Ombudsman, if you have exhausted our internal procedures (and within 6 months of the final letter from us in respect of your complaint); or by applying for taxation or assessment (see below).			Add 20% VAT	450.00
Taxation or Assessment			Total	2,700.00
You may be entitled to have our charges reviewed by the court (this is called 'taxation' or 'assessment'). The procedure is set out in sections 70, 71 and 72 of the Solicitors Act 1974. You should note that the Legal Ombudsman may not consider a complaint about a bill if you have applied to the court for assessment of that bill.			Less Receipts	0.00
Interest			Amount Due	2,700.00
We may charge interest on unpaid bills and we will do so at the agreed rate set out in our terms of business (or failing agreement the rate on judgement debts) from either the date when the bill becomes due for payment or (if any) one month after delivery of one bill (whichever is the earliest).				
For Direct GBP Payment please send to:				
Bank: Lloyds Bank Plc				
Sort Code: 30-00-05 Account Number: 00200399				
IBAN: GB92LOYD30000500200399				
SWIFT: LOYDGB21007				
For cheque payments please send to:				
Squire Patton Boggs (UK) LLP PO Box 574 Leeds LS3 1ZH				
Registered for VAT GB747 1831 20				

Squire Patton Boggs is the trade name of Squire Patton Boggs (UK) LLP, a Limited Liability Partnership registered in England and Wales with number OC 335584 authorised and regulated by the Solicitors Regulation Authority. A list of the members and their professional qualifications is open to inspection at 7 Devonshire Square, London, EC2M 4YH. The status "Partner" denotes either a member or an employee or consultant who has equivalent standing and qualifications.

Squire Patton Boggs (UK) LLP is part of the international legal practice Squire Patton Boggs, which operates worldwide through a number of separate legal entities.

Please visit squirepattonboggs.com for more information.

London Block Exchange Ltd
Kemp House
160 City Road
London
EC1V 2NX

25 April 2018

Our Ref:	Matter Number:	Your Ref:	Bill No:
SXT1/AJW4	LON.333-0002	Dean White	2624225
	VAT	Disbursements	Fees
	GBP	GBP	GBP
Listing Fee Agreement			
To our charges for professional services in the above matter	1,200.00		6,000.00
With Our Compliments	Total	1,200.00	6,000.00
THIS BILL IS DUE FOR PAYMENT WITHIN 14 DAYS OF ISSUE			
Complaint You may object to this bill by way of our complaints procedure (described in our Global Engagement Letter to you), by making a complaint to the Legal Ombudsman, if you have exhausted our internal procedures (and within 6 months of the final letter from us in respect of your complaint); or by applying for taxation or assessment (see below). Taxation or Assessment You may be entitled to have our charges reviewed by the court (this is called 'taxation' or 'assessment'). The procedure is set out in sections 70, 71 and 72 of the Solicitors Act 1974. You should note that the Legal Ombudsman may not consider a complaint about a bill if you have applied to the court for assessment of that bill. Interest We may charge interest on unpaid bills and we will do so at the agreed rate set out in our terms of business (or failing agreement the rate on judgement debts) from either the date when the bill becomes due for payment or from one month after delivery of our bill whichever is the earlier.			
Add Disbursements			0.00
Add 20% VAT			1,200.00
Total			7,200.00
Less Receipts			0.00
Amount Due			7,200.00

For Direct GBP Payment please send to:
Bank: Lloyds Bank Plc
Sort Code: 30-00-05
Account Number: 00200399
IBAN: GB92LOYD30000500200399
SWIFT: LOYDGB21007

For cheque payments please send to:
 Squire Patton Boggs (UK) LLP PO Box 574 Leeds LS3 1ZH

Registered for VAT GB747 1831 20

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Squire Patton Boggs (UK) LLP is part of the international legal practice Squire Patton Boggs, which operates worldwide through a number of separate legal entities.

Please visit squirepattonboggs.com for more information.

Winding-Up Petition



Rule 7.5
COMP 1

For Court use

Case No: CR-2019-001356
Hearing Date: 10 Apr 2019 10:30
In the Rolls
Building

Delete/ complete as necessary:	(a)	IN THE HIGH COURT OF JUSTICE BUSINESS AND PROPERTY COURTS OF ENGLAND AND WALES INSOLVENCY AND COMPANIES LIST (ChD)
(a) High Court, London	(b)	~~IN THE HIGH COURT OF JUSTICE BUSINESS AND PROPERTY COURTS OF ENGLAND AND WALES INSOLVENCY AND COMPANIES LIST (ChD)~~
(b) High Court 8&PCs DR	(c)	~~IN THE HIGH COURT OF JUSTICE CHANCERY DIVISION~~
(c) Non- 8&PCs DR	(d)	~~IN THE COUNTY COURT AT [location]]~~
(d) County Court		

Insert name of
company subject to
the petition

**IN THE MATTER OF LONDON BLOCK EXCHANGE LTD
AND IN THE MATTER OF THE INSOLVENCY ACT 1986**

(a) Insert title of
court or hearing
centre as applicable

THE COURT:
(a) To the High Court of Justice
Business and Property Courts of England and Wales
Insolvency and Companies List (ChD)

(b) Insert full name(s)
and address(es) of
petitioner(s)

THE PETITIONER:
(b) The petition of Squire Patton Boggs (UK) LLP of 7 Devonshire Square, Cutlers Gardens,
London, EC2M 4YH (the "Petitioner")
shows as follows:

(c) Insert full name
and registered no. (if
any) and/or other
required
identification details
of company subject
to the petition (see
also rule 1.6 of the
Insolvency (England
and Wales) Rules
2016 (IR 2016))

THE COMPANY:
(c) This petition relates to London Block Exchange Ltd
(hereinafter called "the Company").
The registered number of the Company is 10966096
[or other identification details]

(d) Insert address of
registered office or
other address as
required (see also
rule 1.6 of the IR
2016)

(d) The registered office of the company is at Kemp House, 160 City Road, London,
United Kingdom, EC1V 2NX

(e) Insert date of
incorporation and the
enactment (as
applicable); delete
where necessary

(e) The Company was incorporated on 15 September 2017
under the Companies Act 2006

(f) Enter the total

(f) The total number of issued shares of the Company is 1000

number of shares and the manner in which they are divided up. See also para 11.2(5) of the Practice Direction on Insolvency Proceedings (PDIP). Modify if Company limited by guarantee.
 (g) Enter the aggregate value of the shares (see the PDIP above)
 (h) Enter amount of capital paid up or credited as such (see PDIP above)
 (i) Insert the nature of the Company's business (if known); see also para 11.2(6) of the PDIP
 (j) Set out the grounds on which a winding-up order is sought

Which are divided up as follows: 1000 shares of £0.01 each.

(g) The aggregate nominal value of those shares is £10

(h) The amount of the capital paid up or credited as paid up is £10

(i) The principal nature of the Company's business is as follows: multi-cryptocurrency exchange

THE GROUNDS & JURISDICTION:

(j) The grounds on which the winding-up order is sought are:

The Company is duly indebted to the petitioner in the sum of £9,900.00 plus total interest currently standing at £640.90 (the "Debt").

The Debt comprises amounts arising from two invoices (together with interest payable thereon):-

1. Invoice number 2622803, dated 29 March 2018 in the sum of £2,700 (plus interest standing at £186.41). This is in connection with professional services provided in respect of financial regulation.

2. Invoice number 2624225 dated 25 April 2018 in the sum of £7,200 (plus interest standing at £454.49). This is in connection with professional services provided in respect of a listing fee agreement.

Demands for payment have been made but the invoices remain outstanding.

On 14 February 2019, a final demand for payment was sent by the Petitioner to the Company by post and email requiring payment of the Debt due by close of business on Friday 15 February 2019 (annexed to this petition at Annex A). Receipt of this final demand was acknowledged but the debt remains unpaid. The petitioner therefore reasonably believes that the Company is unable to pay its debts as they fall due.

(k) Where the ground is section 122(1)(a) of the Insolvency Act 1986 (IA 1986) (Delete if not applicable)
 (l) Where the ground is sections 122(1)(f) or 221(5)(b) of the IA 1986 (Delete if not applicable)
 If more than 4 months have elapsed,

~~[(k) The Company has by special resolution dated [date] resolved that the company be wound up by the court.]~~

~~[(l) A statutory demand was served on the company on [date] and the Company is insolvent and unable to pay its debts.]~~

~~[More than 4 months have elapsed between the service of the statutory demand and the presentation of this petition; the reasons for such delay are set out in the witness statement.]~~

this must be explained
statement of ~~[name]~~
filed in support hereof.

(m) Delete as applicable
(m) The Company ~~is~~ is not an undertaking within Article 1.2 of the EU Regulation on Insolvency Proceedings.

(n) Insert name of witness
(n) For the reasons stated in the witness statement of Russell Hill filed in support hereof, it is considered that:

Delete as applicable.
- the EU Regulation on Insolvency Proceedings ~~will~~ will not apply and
- these proceedings will be main/secondary or territorial proceedings as defined in the EU Regulation on Insolvency Proceedings.

(o) See rule 7.5(1)(v) of the IR 2016
(o) In the circumstances it is just and equitable that the company should be wound up.

(p) Delete as applicable
THE ORDER SOUGHT:

(p) The petitioner therefore applies for an order that:-

- (1) the Company may be wound up by the court under the Insolvency Act 1986;
- (2) that the petitioner's costs be paid from the assets of the Company; or
- (3) such other order may be made as the court thinks just.

(q) If the company is the petitioner, delete "the company". Add the full name and address of any other person on whom it is intended to serve this petition

ADDRESSES:

(q) It is intended to serve this petition on:

- (1) the Company
- (2) ~~---~~

(r) Delete as applicable

(r) The full contact details of the petitioner's solicitor is:

Name: Squire Patton Boggs (UK) LLP

Rutland House, 148 Edmund Street, Birmingham, B3 2JR

Tel.: 01212223132

Email: Russell.hill@squirepb.com

Reference: RH13

This is the address that the court will use for all communications to the Petitioner until notified otherwise in writing

Insert name and address of the court (and if necessary the district registry) in which the petition is issued

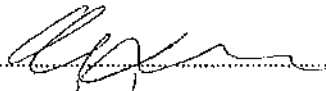
The Court's address is: The High Court of Justice, Rolls Building, 7 Rolls Buildings, Fetter Lane, London, EC4A 3NL

~~{or...}~~

Delete as applicable and insert the relevant details as necessary.
Where signing on behalf of a body see also rule 1.5(3) of the IR 2016.
(The petition may be authenticated in a separate witness statement: see rule 7.6 of the IR 2016)

STATEMENT OF TRUTH

~~I, the Petitioner, believe~~ The Petitioner believes that the facts stated in this petition are true.

Signed: 

Dated: 21/2/19

I, the above-signed, not being a petitioner herein, state as follows:

My name is Russell Hill

My postal address is Rutland House, 148 Edmund Street, Birmingham, B3 2JR

The capacity in which and authority by which I have authenticated the statement are as solicitor for the petitioner.

The means of my knowledge of the matters so verified are provided to me as solicitor for the petitioner

For court use

(Where the petition is issued by e-filing, the endorsement will normally be on the front of the petition, beneath the seal)

Endorsement by the Court

This petition was issued by the court on
and will be heard at:

Place

Date

Time

(or as soon thereafter as the petition can be heard)

SQUIRE
PATTON BOGGS

14 February 2019

By post and email: Benjamin@londonblockexchange.com

London Block Exchange Ltd
Kemp House,
160 City Road,
London,
United Kingdom,
EC1V 2NX

Squire Patton Boggs (UK) LLP
Hutland House
148 Edmund Street
Birmingham
B3 2JR
United Kingdom
DX 708610 Birmingham 17

O +44 121 222 3000
F +44 121 222 3001
squirepattonboggs.com

Russ Hill
T +44 121 222 3132
DF +44 870 458 2943
russell.hill@equitopb.com

Dear Sirs,

Final demand for payment of outstanding debts

Our records indicate that you owe Squire Patton Boggs (UK) LLP £9,900 plus interest of £623.54. This amounts to a total of £10,523.54 (the "Debt").

The Debt comprises amounts arising from the following two invoices (together with interest payable thereon):-

- Invoice number: 2622803 Date: 29 March 2018 Amount: £2,700 (plus interest standing at £181.68). This is in connection with professional services provided in respect of financial regulation.
- Invoice number: 2624225 Date: 25 April 2018 Amount: £7,700 (plus interest standing at £441.86). This is in connection with professional services provided in respect of a listing fee agreement.

Interest continues to accrue at a daily rate of £2.17.

The Debt is overdue and payable immediately.

We hereby demand immediate payment of the Debt in full without further delay and in cleared funds to Lloyds Bank Plc, Sort Code: 30-00-05. Account number: 00200399. Please quote the reference RH13/LON.333-0001

If we have not received payment of the Debt by 5pm on 15 February 2019, we reserve the right to take such further action as we see fit, without further recourse to you, which may include the presentation of the attached draft winding up petition.

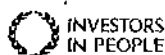
We trust that this will not be necessary and look forward to receiving payment by return.

47 Offices in 20 Countries

Squire Patton Boggs is the trade name of Squire Patton Boggs (UK) LLP, a Limited Liability Partnership registered in England and Wales with number OC 335584 authorised and regulated by the Solicitors Regulation Authority. A list of the members and their professional qualifications is open to inspection at 7 Devonshire Square, London, EC2M 4YH. The status "partner" denotes either a member or an employee or consultant who has equivalent standing and qualifications.

Squire Patton Boggs (UK) LLP is part of the international legal practice Squire Patton Boggs, which operates worldwide through a number of separate legal entities.

Please visit squirepattonboggs.com for more information.



SQUIRE
PATTON BOGGS

Squire Patton Boggs (UK) LLP

London Block Exchange Ltd
13 February 2019

Yours faithfully

Squire Patton Boggs
Squire Patton Boggs (UK) LLP

Winding-Up Petition

Rule 7.5
COMP 1

For Court use

Case No:

Delete/ complete as necessary: (a) High Court, London	(a)	IN THE HIGH COURT OF JUSTICE BUSINESS AND PROPERTY COURTS OF ENGLAND AND WALES INSOLVENCY AND COMPANIES LIST (ChD)
(b) High Court B&PCs DR	(b)	~~IN THE HIGH COURT OF JUSTICE~~ BUSINESS AND PROPERTY COURTS IN <i>[location]</i> INSOLVENCY AND COMPANIES LIST (ChD)
(c) Non- B&PCs DR	(c)	~~IN THE HIGH COURT OF JUSTICE~~ CHANCERY DIVISION
(d) County Court	(d)	~~<i>[location]</i> DISTRICT REGISTRY~~ ~~IN THE COUNTY COURT AT <i>[location]</i>~~

Insert name of
company subject to
the petition

IN THE MATTER OF LONDON BLOCK EXCHANGE LTD
AND IN THE MATTER OF THE INSOLVENCY ACT 1986

(a) Insert title of
court or hearing
centre as applicable

THE COURT:

(a) To the High Court of Justice
Business and Property Courts of England and Wales
Insolvency and Companies List

(b) Insert full name(s)
and address(es) of
petitioner(s)

THE PETITIONER:

(b) The petition of Squire Patton Boggs (UK) LLP of 7 Devonshire Square, Cutlers Gardens,
London, EC2M 4YH (the "Petitioner")
shows as follows:

(c) Insert full name
and registered no. (if
any) and/or other
required
identification details
of company subject
to the petition (see
also rule 1.6 of the
Insolvency (England
and Wales) Rules
2016 (IR 2016))
(d) Insert address of
registered office or
other address as
required (see also
rule 1.6 of the IR
2016)

THE COMPANY:

(c) This petition relates to London Block Exchange Ltd
(hereinafter called "the Company").
The registered number of the Company is 10966096
[or other identification details]

(e) Insert date of
incorporation and the
enactment (as
applicable); delete
where necessary
(f) Enter the total

(d) The registered office of the company is at Kemp House, 160 City Road, London,
United Kingdom, EC1V 2NX

(e) The Company was incorporated on 15 September 2017
under the Companies Act 2006

(f) The total number of issued shares of the Company is 1000

number of shares and the manner in which they are divided up. See also para 11.2(5) of the Practice Direction on Insolvency Proceedings (PDIP). Modify if Company limited by guarantee.
 (g) Enter the aggregate value of the shares (see the PDIP above)
 (h) Enter amount of capital paid up or credited as such (see PDIP above)
 (i) Insert the nature of the Company's business (if known); see also para 11.2(6) of the PDIP
 (j) Set out the grounds on which a winding-up order is sought

Which are divided up as follows: 1000 shares of £0.01 each.

(g) The aggregate nominal value of those shares is £10

(h) The amount of the capital paid up or credited as paid up is £10

(i) The principal nature of the Company's business is as follows: multi-cryptocurrency exchange

THE GROUNDS & JURISDICTION:

(j) The grounds on which the winding-up order is sought are:

The Company is duly indebted to the petitioner in the sum of £9,900.00 plus total interest currently standing at £623.24 (the "Debt").

The Debt comprises amounts arising from two invoices (together with interest payable thereon):-

- Invoice number: 2622803 Date: 29 March 2018 Amount: £2,700 (plus interest standing at £181.68). This is in connection with professional services provided in respect of financial regulation.
- Invoice number: 2624225 Date: 25 April 2018 Amount: £7,700 (plus interest standing at £441.86). This is in connection with professional services provided in respect of a listing fee agreement.

Demands for payment have been made and the invoices remain outstanding.

On 14 February 2019 a final demand for payment was sent to the Company by post and email requiring payment of the Debt due by close of business on Friday 15 February 2019 (annexed to this petition at Annex A). Payment was not made within this timeframe. The petitioner therefore reasonably believes that the Company is unable to pay its debts as they fall due.

(k) Where the ground is section 122(1)(a) of the Insolvency Act 1986 (IA 1986) (Delete if not applicable)
 (l) Where the ground is sections 122(1)(f) or 221(5)(b) of the IA 1986 (Delete if not applicable)
 If more than 4 months have elapsed, this must be explained

~~((k) The Company has by special resolution dated [date] resolved that the company be wound up by the court.]~~

~~((l) A statutory demand was served on the company on [date] and the Company is insolvent and unable to pay its debts.~~

~~[More than 4 months have elapsed between the service of the statutory demand and the presentation of this petition; the reasons for such delay are set out in the witness statement of [name] filed in support hereof.]~~

(m) Delete as applicable

(m) The Company is/is not an undertaking within Article 1.2 of the EU Regulation on Insolvency Proceedings.

(n) Insert name of witness

(n) For the reasons stated in the witness statement of Russell Hill filed in support hereof, it is considered that:

Delete as applicable.

- the EU Regulation on Insolvency Proceedings will/will not apply and
- these proceedings will be main/secondary or territorial proceedings as defined in the EU Regulation on Insolvency Proceedings.

(o) See rule 7.5(1)(o) of the IR 2016

(o) In the circumstances it is just and equitable that the company should be wound up.

(p) Delete as applicable

THE ORDER SOUGHT:

(p) The petitioner therefore applies for an order that:-

- (1) the Company may be wound up by the court under the Insolvency Act 1986;
- (2) that the petitioner's costs be paid from the assets of the Company; or
- (3) such other order may be made as the court thinks just.

(q) If the company is the petitioner, delete "the company". Add the full name and address of any other person on whom it is intended to serve this petition

ADDRESSES:

(q) It is intended to serve this petition on:

- (1) the Company
- (2) [...]

(r) Delete as applicable

(r) The full contact details of the petitioner's solicitor is:

Name: Squire Patton Boggs (UK) LLP

Tel: 01212223132

Email: Russell.hill@squirepb.com

Reference:

This is the address that the court will use for all communications to the Petitioner until notified otherwise in writing. Insert name and address of the court (and if necessary the district registry) in which the petition is issued

The Court's address is: The High Court of Justice, Rolls Building, 7 Rolls Buildings, Fetter Lane, London, EC4A 1NI
[or...]

Delete as applicable and insert the relevant details as necessary.

STATEMENT OF TRUTH

Where signing on behalf of a body see also rule 1.5(3) of the IR 2016.

I, the Petitioner, believe/The Petitioner believes that the facts stated in this petition are true.

Signed:

Dated:

(The petition may be authenticated in a separate witness statement: see rule 7.6 of the IR 2016)

I, the above-signed, not being a petitioner herein, state as follows:

My name is Russell Hill

My postal address is Rutland House, 148 Edmund Street, Birmingham, B3 2JR

The capacity in which and authority by which I have authenticated the statement are as solicitor for the petitioner.

The means of my knowledge of the matters so verified are provided to me as solicitor for

(Where the petition is issued by e-filing, the endorsement will normally be on the front of the petition, beneath the seal)

IN THE HIGH COURT OF JUSTICE
BUSINESS AND PROPERTY COURTS
INSOLVENCY AND COMPANIES LIST (ChD)

IN THE MATTER OF LONDON BLOCK EXCHANGE LTD
AND IN THE MATTER OF THE INSOLVENCY ACT 1986

Petitioner
Russell Hill

1

Exhibit(s): RH1

Date: 21/2/2019

Court Reference No. of 2019

BETWEEN

SQUIRE PATTON BOGGS (UK) LLP Applicant/Petitioner

and

LONDON BLOCK EXCHANGE LTD Respondent/Company

FIRST WITNESS STATEMENT OF RUSSELL HILL

I, RUSSELL HILL, a solicitor of Squire Patton Boggs (UK) LLP, Rutland House, 148 Edmund Street, Birmingham, B3 2JR will say as follows:

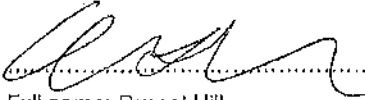
1. I am duly authorised by the Petitioner to verify the statements in the petition marked RH1. The statements in the Petition are made from my own knowledge except where otherwise indicated, in which case I have explained the source of my information or belief.
2. I have been concerned in the matters giving rise to the Petition and have the requisite knowledge of the matters referred to in the Petition because I am the Petitioner's solicitor and have been involved in the preparation of the Petition.
3. The statements in the Petition are true to the best of my knowledge, information and belief.
4. The Company is London Block Exchange Ltd (Company number: 10966096) with its registered office at Kemp House, 160 City Road, London, United Kingdom, EC1V 2NX.

5. The petition is to be presented in the High Court of Justice, Business and Property Courts.

6. I consider the Company's centre of main interest is at Kemp House, 160 City Road, London, United Kingdom, EC1V 2NX. Accordingly, the EU Regulation on Insolvency Proceedings will apply and these proceedings will be main proceedings.

Statement of Truth

I believe that the facts stated in this Witness Statement are true.



Full name: Russel Hill

Dated

21/2/19

On behalf of: Petitioner
Made by: Russell Hill
First statement
Exhibit: "RH1"
Made on: February 2019
Filed on: February 2019

CASE NO of 2019

IN THE HIGH COURT OF JUSTICE
BUSINESS AND PROPERTY COURTS OF ENGLAND AND WALES
INSOLVENCY AND COMPANIES LIST (ChD)

IN THE MATTER OF LONDON BLOCK EXCHANGE LTD

AND

IN THE MATTER OF THE INSOLVENCY ACT 1986

BETWEEN

SQUIRE PATTON BOGGS (UK) LLP

Petitioner

and

LONDON BLOCK EXCHANGE LTD

Respondent

EXHIBIT RH1

This is the exhibit marked **RH1** referred to in the statement of Russell Hill made
on *21 February* 2019.

Winding-Up Petition

Rule 7.5

COMP 1

For Court use

Case No:

Delete/ complete as necessary:	[a]	IN THE HIGH COURT OF JUSTICE BUSINESS AND PROPERTY COURTS OF ENGLAND AND WALES INSOLVENCY AND COMPANIES LIST (ChD)
(a) High Court, London	[b]	~~{IN THE HIGH COURT OF JUSTICE BUSINESS AND PROPERTY COURTS IN {location} INSOLVENCY AND COMPANIES LIST (ChD)}~~
(b) High Court B&PCs DR	[c]	~~{IN THE HIGH COURT OF JUSTICE CHANCERY DIVISION~~
(c) Non- B&PCs DR	[d]	~~{location} DISTRICT REGISTRY {IN THE COUNTY COURT AT {location}}~~
(d) County Court		

Insert name of
company subject to
the petition

**IN THE MATTER OF LONDON BLOCK EXCHANGE LTD
AND IN THE MATTER OF THE INSOLVENCY ACT 1986**

(a) Insert title of
court or hearing
centre as applicable

THE COURT:

(a) To the High Court of Justice
Business and Property Courts of England and Wales
Insolvency and Companies List (ChD)

(b) Insert full name(s)
and address(es) of
petitioner(s)

THE PETITIONER:

(b) The petition of Squire Patton Boggs (UK) LLP of 7 Devonshire Square, Cutlers Gardens,
London, EC2M 4YH (the "Petitioner")
shows as follows:

(c) Insert full name
and registered no. (if
any) and/or other
required
identification details
of company subject
to the petition (see
also rule 1.6 of the
Insolvency (England
and Wales) Rules
2016 (IR 2016))

THE COMPANY:

(c) This petition relates to London Block Exchange Ltd
(hereinafter called "the Company").
The registered number of the Company is 10966096
{or other identification details}

(d) Insert address of
registered office or
other address as
required (see also
rule 1.6 of the IR
2016)

(d) The registered office of the company is at Kemp House, 160 City Road, London,
United Kingdom, EC1V 2NX

(e) Insert date of
incorporation and the
enactment (as
applicable); delete
where necessary
(f) Enter the total

(e) The Company was incorporated on 15 September 2017
under the Companies Act 2006

(f) The total number of issued shares of the Company is 1000

number of shares and the manner in which they are divided up. See also para 11.2(5) of the Practice Direction on Insolvency Proceedings (PDIP). Modify if Company limited by guarantee.
 (g) Enter the aggregate value of the shares (see the PDIP above)
 (h) Enter amount of capital paid up or credited as such (see PDIP above)
 (i) Insert the nature of the Company's business (if known); see also para 11.2(6) of the PDIP
 (j) Set out the grounds on which a winding-up order is sought

Which are divided up as follows: 1000 shares of £0.01 each.

(g) The aggregate nominal value of those shares is £10

(h) The amount of the capital paid up or credited as paid up is £10

(i) The principal nature of the Company's business is as follows: multi-cryptocurrency exchange

THE GROUNDS & JURISDICTION:

(j) The grounds on which the winding-up order is sought are:

The Company is duly indebted to the petitioner in the sum of £9,900.00 plus total interest currently standing at £640.90 (the "Debt").

The Debt comprises amounts arising from two invoices (together with interest payable thereon):-

1. Invoice number 2622803, dated 29 March 2018 in the sum of £2,700 (plus interest standing at £186.41). This is in connection with professional services provided in respect of financial regulation.

2. Invoice number 2624225 dated 25 April 2018 in the sum of £7,200 (plus interest standing at £454.49). This is in connection with professional services provided in respect of a listing fee agreement.

Demands for payment have been made but the invoices remain outstanding.

On 14 February 2019, a final demand for payment was sent by the Petitioner to the Company by post and email requiring payment of the Debt due by close of business on Friday 15 February 2019 (annexed to this petition at Annex A). Receipt of this final demand was acknowledged but the debt remains unpaid. The petitioner therefore reasonably believes that the Company is unable to pay its debts as they fall due.

(k) Where the ground is section 122(1)(a) of the Insolvency Act 1986 (IA 1986) (Delete if not applicable)
 (l) Where the ground is sections 122(1)(f) or 221(5)(b) of the IA 1986 (Delete if not applicable)
 If more than 4 months have elapsed,

~~[(k) The Company has by special resolution dated {date} resolved that the company be wound up by the court.]~~

~~[(l) A statutory demand was served on the company on {date} and the Company is insolvent and unable to pay its debts.]~~

~~[More than 4 months have elapsed between the service of the statutory demand and the presentation of this petition; the reasons for such delay are set out in the witness statement.]~~

this must be explained

statement of ~~[name]~~
filed in support hereof.]

(m) Delete as applicable

(m) The Company ~~is~~ is not an undertaking within Article 1.2 of the EU Regulation on Insolvency Proceedings.

(n) Insert name of witness

(n) For the reasons stated in the witness statement of Russell Hill filed in support hereof, it is considered that:

Delete as applicable.

- the EU Regulation on Insolvency Proceedings will ~~will not~~ apply and
- these proceedings will be main ~~secondary or territorial~~ proceedings as defined in the EU Regulation on Insolvency Proceedings.

(o) See rule 7.5(1)(o) of the IR 2016

(o) In the circumstances it is just and equitable that the company should be wound up.

(p) Delete as applicable

THE ORDER SOUGHT:

(p) The petitioner therefore applies for an order that:-

- (1) the Company may be wound up by the court under the Insolvency Act 1986;
- (2) that the petitioner's costs be paid from the assets of the Company; or
- (3) such other order may be made as the court thinks just.

(q) If the company is the petitioner, delete "the company". Add the full name and address of any other person on whom it is intended to serve this petition

ADDRESSES:

(q) It is intended to serve this petition on:

- (1) the Company
- (2) ~~the Company~~

(r) Delete as applicable

(r) The full contact details of the petitioner's solicitor is:

Name: Squire Patton Boggs (UK) LLP

Rutland House, 148 Edmund Street, Birmingham, B3 2JR

Tel.: 01212223132

Email: Russell.hill@squirepb.com

Reference: RH13

This is the address that the court will use for all communications to the Petitioner until notified otherwise in writing

Insert name and address of the court (and if necessary the district registry) in which the petition is issued

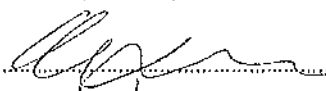
The Court's address is: The High Court of Justice, Rolls Building, 7 Rolls Buildings, Fetter Lane, London, EC4A 1NL

~~[or:-]~~

Delete as applicable and insert the relevant details as necessary. Where signing on behalf of a body see also rule 1.5(3) of the IR 2016.

STATEMENT OF TRUTH

~~I, the Petitioner, believe~~ The Petitioner believes that the facts stated in this petition are true.

Signed: 

Dated: 21/2/19

(The petition may be authenticated in a separate witness statement: see rule 7.6 of the IR 2016)

I, the above-signed, not being a petitioner herein, state as follows:

My name is Russell Hill

My postal address is Rutland House, 148 Edmund Street, Birmingham, B3 2JR

The capacity in which and authority by which I have authenticated the statement are as solicitor for the petitioner.

The means of my knowledge of the matters so verified are provided to me as solicitor for the petitioner

For court use

(Where the petition is issued by e-filing, the endorsement will normally be on the front of the petition, beneath the seal)

Endorsement by the Court

This petition was issued by the court on
and will be heard at:

Place

Date

Time

(or as soon thereafter as the petition can be heard)

SQUIRE
PATTON BOGGS

14 February 2019

By post and email: Benjamin@londonblockexchange.com

London Block Exchange Ltd
Kemp House,
160 City Road,
London,
United Kingdom,
EC1V 2NX

Squire Patton Boggs (UK) LLP
Rutland House
148 Edmund Street
Birmingham
B3 2JF
United Kingdom
DX 708610 Birmingham 17

O +44 121 222 3000
F +44 121 222 3001
squirepattonboggs.com

Russ Hill
T +44 121 222 3132
DF +44 870 458 2943
russell.hill@squirepb.com

Dear Sirs,

Final demand for payment of outstanding debts

Our records indicate that you owe Squire Patton Boggs (UK) LLP £9,900 plus interest of £623.54. This amounts to a total of £10,523.54 (the "Debt").

The Debt comprises amounts arising from the following two invoices (together with interest payable thereon):-

- Invoice number: 2622803 Date: 29 March 2018 Amount: £2,700 (plus interest standing at £181.68). This is in connection with professional services provided in respect of financial regulation.
- Invoice number: 2624225 Date: 25 April 2018 Amount: £7,700 (plus interest standing at £441.86). This is in connection with professional services provided in respect of a listing fee agreement.

Interest continues to accrue at a daily rate of £2.17.

The Debt is overdue and payable immediately.

We hereby demand immediate payment of the Debt in full without further delay and in cleared funds to Lloyds Bank Plc, Sort Code: 30-00-05. Account number: 00200399. Please quote the reference RH13/LON.333-0001

If we have not received payment of the Debt by 5pm on 15 February 2019, we reserve the right to take such further action as we see fit, without further recourse to you, which may include the presentation of the attached draft winding up petition.

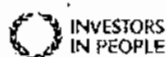
We trust that this will not be necessary and look forward to receiving payment by return.

47 Offices in 20 Countries

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Squire Patton Boggs (UK) LLP is part of the international legal practice Squire Patton Boggs, which operates worldwide through a number of separate legal entities.

Please visit squirepattonboggs.com for more information.



SQUIRE
PATTON BOGGS

Squire Patton Boggs (UK) LLP

London Stock Exchange Ltd
13 February 2019

Yours faithfully

Squire Patton Boggs
Squire Patton Boggs (UK) LLP

23

Winding-Up Petition

Rule 7.5
COMP 1

For Court use

Case No:

Delete/ complete as necessary: (a) High Court, London	(a)	IN THE HIGH COURT OF JUSTICE BUSINESS AND PROPERTY COURTS OF ENGLAND AND WALES INSOLVENCY AND COMPANIES LIST (ChD)
(b) High Court B&PCs OR	(b)	~~IN THE HIGH COURT OF JUSTICE~~ BUSINESS AND PROPERTY COURTS IN <i>[location]</i> ~~INSOLVENCY AND COMPANIES LIST (ChD)~~
(c) Non- B&PCs DR	(c)	~~IN THE HIGH COURT OF JUSTICE~~ CHANCERY DIVISION
(d) County Court	(d)	~~<i>[location]</i> DISTRICT REGISTRY~~ ~~IN THE COUNTY COURT AT <i>[location]</i>~~

Insert name of
company subject to
the petition

IN THE MATTER OF LONDON BLOCK EXCHANGE LTD
AND IN THE MATTER OF THE INSOLVENCY ACT 1986

(a) Insert title of
court or hearing
venue as applicable

THE COURT:

(a) To the High Court of Justice
Business and Property Courts of England and Wales
Insolvency and Companies List

(b) Insert full name(s)
and address(es) of
petitioner(s)

THE PETITIONER:

(b) The petition of Squire Patton Boggs (UK) LLP of 7 Devonshire Square, Cutlers Gardens,
London, EC2M 4YH (the "Petitioner")
shows as follows:

(c) Insert full name
and registered no. (if
any) and/or other
required
identification details
of company subject
to the petition (see
also rule 1.6 of the
Insolvency (England
and Wales) Rules
2016 (IR 2016))

THE COMPANY:

(c) This petition relates to London Block Exchange Ltd
(hereinafter called "the Company").
The registered number of the Company is 10966096
[or other identification details]

(d) Insert address of
registered office or
other address as
required (see also
rule 1.6 of the IR
2016)

(d) The registered office of the company is at Kemp House, 160 City Road, London,
United Kingdom, EC1V 2NX

(e) Insert date of
incorporation and the
enactment (as
applicable); delete
where necessary
(f) Enter the total

(e) The Company was incorporated on 15 September 2017
under the Companies Act 2006

(f) The total number of issued shares of the Company is 1000

number of shares and the manner in which they are divided up. See also para 11.2(5) of the Practice Direction on Insolvency Proceedings (PDIP). Modify if Company limited by guarantee.
(g) Enter the aggregate value of the shares (see the PDIP above)
(h) Enter amount of capital paid up or credited as such (see PDIP above)
(i) Insert the nature of the Company's business (if known); see also para 11.2(6) of the PDIP
(j) Set out the grounds on which a winding-up order is sought

Which are divided up as follows: 1000 shares of £0.01 each.

(g) The aggregate nominal value of those shares is £10

(h) The amount of the capital paid up or credited as paid up is £10

(i) The principal nature of the Company's business is as follows: multi-cryptocurrency exchange

THE GROUNDS & JURISDICTION:

(j) The grounds on which the winding-up order is sought are:

The Company is duly indebted to the petitioner in the sum of £9,900.00 plus total interest currently standing at £623.24 (the "Debt").

The Debt comprises amounts arising from two invoices (together with interest payable thereon):-

- Invoice number: 2622803 Date: 29 March 2018 Amount: £2,700 (plus interest standing at £181.68). This is in connection with professional services provided in respect of financial regulation.
- Invoice number: 2624225 Date: 25 April 2018 Amount: £7,700 (plus interest standing at £441.86). This is in connection with professional services provided in respect of a listing fee agreement.

Demands for payment have been made and the invoices remain outstanding.

On 14 February 2019 a final demand for payment was sent to the Company by post and email requiring payment of the Debt due by close of business on Friday 15 February 2019 (annexed to this petition at Annex A). Payment was not made within this timeframe. The petitioner therefore reasonably believes that the Company is unable to pay its debts as they fall due.

(k) Where the ground is section 122(1)(a) of the Insolvency Act 1986 (IA 1986) (Delete if not applicable)
(l) Where the ground is sections 122(1)(f) or 221(5)(b) of the IA 1986 (Delete if not applicable)
If more than 4 months have elapsed, this must be explained

~~((k) The Company has by special resolution dated [date] resolved that the company be wound up by the court.]~~

~~(l) A statutory demand was served on the company on [date] and the Company is insolvent and unable to pay its debts.~~

[More than 4 months have elapsed between the service of the statutory demand and the presentation of this petition; the reasons for such delay are set out in the witness statement of {name} filed in support hereof.]

(m) Delete as applicable

(m) The Company is/is not an undertaking within Article 1.2 of the EU Regulation on Insolvency Proceedings.

(n) Insert name of witness

(n) For the reasons stated in the witness statement of Russell Hill filed in support hereof, it is considered that:

Delete as applicable.

- the EU Regulation on Insolvency Proceedings will ~~will not~~ apply and
- these proceedings will be main/~~secondary or territorial~~ proceedings as defined in the EU Regulation on Insolvency Proceedings.

(o) See rule 7.5(1)(o) of the IR 2016

(o) In the circumstances it is just and equitable that the company should be wound up.

(p) Delete as applicable

THE ORDER SOUGHT:

(p) The petitioner therefore applies for an order that:-

- (1) the Company may be wound up by the court under the Insolvency Act 1986;
- (2) that the petitioner's costs be paid from the assets of the Company; or
- (3) such other order may be made as the court thinks just.

(q) If the company is the petitioner, delete "the company". Add the full name and address of any other person on whom it is intended to serve this petition

ADDRESSES:

(q) It is intended to serve this petition on:

- (1) the Company
- (2) ~~the Company~~

(r) Delete as applicable

(r) The full contact details of the petitioner's solicitor is:

Name: Squire Patton Boggs (UK) LLP

Tel.: 01212223132

Email: Russell.hill@squirepb.com

Reference:

This is the address that the court will use for all communications to the Petitioner until notified otherwise in writing. Insert name and address of the court (and if necessary the district registry) in which the petition is issued

The Court's address is: The High Court of Justice, Rolls Building, 7 Rolls Buildings, Fetter Lane, London, EC4A 1NL
~~for me~~

Delete as applicable and insert the relevant details as necessary. Where signing on behalf of a body see also rule 1.5(3) of the IR 2016. (The petition may be authenticated in a separate witness statement: see rule 7.6 of the IR 2016)

STATEMENT OF TRUTH

~~I, the Petitioner, believe~~ The Petitioner believes that the facts stated in this petition are true.

Signed:

Dated:

I, the above-signed, not being a petitioner herein, state as follows:

My name is Russell Hill

My postal address is Rutland House, 148 Edmund Street, Birmingham, B3 2JR

The capacity in which and authority by which I have authenticated the statement are as solicitor for the petitioner.

The means of my knowledge of the matters so verified are provided to me as solicitor for

the petitioner

For court use

(Where the petition is issued by e-filing, the endorsement will normally be on the front of the petition, beneath the seal)

Endorsement by the Court

This petition was issued by the court on
and will be heard at:

Place

Date

Time

(or as soon thereafter as the petition can be heard)

London Block Exchange Ltd
Kemp House
160 City Road
London
EC1V 2NX

25 April 2018

REMITTANCE ADVICE

Our Ref:	Matter Number:	Your Ref:	Bill No:
SXT1/AJW4	LON.333-0002	Dean White	2624225
	VAT	Disbursements	Fees
	GBP	GBP	GBP
Listing Fee Agreement			
To our charges for professional services in the above matter	1,200.00		6,000.00
With Our Compliments	Total	1,200.00	6,000.00
THIS BILL IS DUE FOR PAYMENT WITHIN 14 DAYS OF ISSUE			
Complaint You may object to this bill by way of our complaints procedure (described in our Global Engagement Letter to you); by making a complaint to the Legal Ombudsman, if you have exhausted our internal procedures (and within 6 months of the final letter from us in respect of your complaint); or by applying for taxation or assessment (see below).		Add Disbursements	0.00
Taxation or Assessment You may be entitled to have our charges reviewed by the court (this is called 'taxation' or 'assessment'). The procedure is set out in sections 70, 71 and 72 of the Solicitors Act 1974. You should note that the Legal Ombudsman may not consider a complaint about a bill if you have applied to the court for assessment of that bill.		Add 20% VAT	1,200.00
Interest We may charge interest on unpaid bills and we will do so at the agreed rate set out in our terms of business (or failing agreement the rate on judgement debts) from 4/after the date when the bill becomes due for payment or from one month after delivery of our bill whichever is the earliest.		Total	7,200.00
For Direct GBP Payment please send to: Bank: Lloyds Bank Plc Sort Code: 30-00-05 Account Number: 00200399 IBAN: GB92LOYD30000500200399 SWIFT: LOYDGB21007		Less Receipts	0.00
For cheque payments please send to: Squire Patton Boggs (UK) LLP PO Box 574 Leeds LS3 1ZH		Amount Due	7,200.00
Registered for VAT GB747 1831 20			

Squire Patton Boggs is the trade name of Squire Patton Boggs (UK) LLP, a Limited Liability Partnership registered in England and Wales with number OC 335684 authorised and regulated by the Solicitors Regulation Authority. A list of the members and their professional qualifications is open to inspection at 7 Devonshire Square, London, EC2M 4YH. The status "Partner" denotes either a member or an employee or consultant who has equivalent standing and qualifications.

Squire Patton Boggs (UK) LLP is part of the international legal practice Squire Patton Boggs, which operates worldwide through a number of separate legal entities.

Please visit squirepattonboggs.com for more information.

SCHEDULE OF CHARGES

DATE	HOURS	TIMEKEEPER	NARRATIVE
03/04/2018	0.10	S Tibbetts	Reviewing correspondence and agreement.
03/04/2018	0.60	S Tibbetts	Reviewing correspondence and agreement, call with A. Wilkinson and considering agreements.
04/04/2018	0.90	S Tibbetts	Call to discuss listing fee agreement.
05/04/2018	1.10	S Tibbetts	Reviewing documentation, considering agreement and drafting correspondence.
09/04/2018	0.80	S Tibbetts	Listing Fee Agreement: drafting correspondence regarding NanoLabs Listing Fee Agreement.
16/04/2018	0.40	S Tibbetts	Listing Fee Agreement: reviewing and drafting correspondence regarding Listing Fee Agreement.
16/04/2018	1.20	S Tibbetts	Listing Fee Agreement: drafting Listing Agreement.
16/04/2018	0.70	S Tibbetts	Currency Listing Agreement: drafting currency listing agreement.
17/04/2018	1.10	S Tibbetts	Currency Listing Agreement: drafting currency listing agreement.
17/04/2018	3.10	S Tibbetts	Currency Listing Agreement: drafting currency listing agreement.
17/04/2018	1.90	S Tibbetts	Currency Listing Agreement: drafting currency listing agreement.
18/04/2018	1.10	S Tibbetts	Listing Fee Agreement: drafting listing fee agreement.
18/04/2018	2.40	S Tibbetts	Listing Fee Agreement: drafting listing fee agreement and correspondence.
19/04/2018	0.30	S Tibbetts	Currency Listing Agt: reviewing and drafting correspondence, including comments to agreement.
20/04/2018	0.50	S Tibbetts	Currency Listing Agt: prep for call and call to discuss.
20/04/2018	1.50	S Tibbetts	Currency Listing Agt: drafting amends to agt following call.
20/04/2018	3.70	S Tibbetts	Currency Listing Agreement: drafting updates to currency listing agreement and correspondence.
TOTAL HOURS			21.40
TOTAL CHARGES			7,276.00

TIME SUMMARY

NAME	HOURLY RATE	HOURS	TOTAL
S Tibbetts	340.00	21.40	7,276.00
GRAND TOTAL		21.40	7,276.00

MATTER TOTAL

SUB TOTAL FEES	6,000.00
SUBTOTAL	6,000.00
VAT: 20%	1,200.00
TOTAL AMOUNT DUE FOR THIS MATTER	8,476.00



THE
GAZETTE
OFFICIAL PUBLIC RECORD

Published by Authority | Est 1665

Notice details

Type:

Corporate Insolvency
> Petitions to Wind Up (Companies)

Earliest publish date:

19 March 2019

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The London Gazette

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10966096

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2450

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62592

Page number:

5001

About Petitions to Wind Up (Companies)
notices

Petitions to Wind Up (Companies)

In the High Court of Justice

CR-2019-CR-2019-001356

In the matter of **LONDON BLOCK EXCHANGE LTD**

Trading As: LONDON BLOCK EXCHANGE LTD,

and in the Matter of the Insolvency Act 1986,

A Petition to wind up the above-named company of LONDON BLOCK EXCHANGE LTD (10966096) of Kemp House, 160 City Road, London EC1V 2NX, whose nature of business is Cryptocurrency Exchange, presented on Monday 25 February 2019, at 12:00 by SQUIRE PATTON BOGGS (UK) LLP, of 7 Devonshire Square, Cutlers Gardens, London EC2M 4YH claiming to be a Creditor of the Company, will be heard at the High Court of Justice, Rolls Building, Fetter Lane, London EC4A 1NL on Wednesday 10 April 2019, at 10:30 (or as soon thereafter as the Petition can be heard).

Any person intending to appear on the hearing of the Petition (whether to support or oppose it) must give notice of intention to do so to the Petitioners or to their Solicitor in accordance with Rule 7.14 by 16:00 hours on Tuesday 09 April 2019

The Petitioner's Solicitor is Russell Hill, Rutland House, 148 Edmund Street, Birmingham B3 2JR., Telephone: 0121 222 3132, Email: russell.hill@squirepb.com (Reference number: RH13/HAM.150-0220.)

Notice timeline for LONDON BLOCK EXCHANGE LTD (10966096)



Petitions to Wind Up

19/03/2019

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Respondent
B.Davies
First
Exhibits BD/1-BD/2
9.04.2019

IN THE HIGH COURT OF JUSTICE

Case no: CR2019-001-356

BUSINESS AND PROPERTY COURTS OF ENGLAND AND WALES

INSOLVENCY AND COMPANIES LIST

SQUIRE PATTON BOGGS UK LLP (Solicitors)

Applicant

-and-

LONDON BLOCK EXCHNAGE LTD

Respondent

EXHIBIT BD/2

TO

**WITNESS STATEMENT OF
BENJAMIN DAVIES**

From: raf.demczuk@wlegal.co.uk
Date: Tuesday, 9 April 2019 at 15:37
To: "Hill, Russell" <russell.hill@squirepb.com>, "Proctor, Andrew" <andrew.proctor@squirepb.com>
Cc: "pwhiteis@aol.com" <pwhiteis@aol.com>, Damian Falkowski <damian.falkowski@39essex.com>, Nigel Kushner <nigel.kushner@wlegal.co.uk>
Subject: Draft Order in JR 1902065, London Block Exchange-v-Squire Patton Boggs (UK) LLP

Dear Sirs

Claim no: JR 1902065
London Block Exchange-v-Squire Patton Boggs (UK) LLP

Further to today's Telephone Hearing, please confirm if you are agreeable to the attached Draft Order so we may file it with the Court.

Kind regards,

Raf Demczuk
W Legal Limited
www.wlegal.co.uk
Office: +44 (0) 207 220 9130
Fax: +44 (0) 20 7112 4833
Regulated by the Solicitors Regulation Authority
Registered Address: 47 Red Lion Street, London, WC1R 4PF
Registered Company Number: 06649868

IN THE HIGH COURT OF JUSTICE

CLAIM NO: JR 1902065

SENIOR COURT COSTS OFFICE

COSTS JUDGE ROWLEY

BETWEEN:

LONDON BLOCK EXCHANGE LTD

Claimant

- and -

SQUIRE PATTON BOGGS (UK) LLP

Defendant

UPON THE APPLICATION OF THE CLAIMANT

AND UPON AGREEMENT REACHED BETWEEN THE PARTIES

IT IS ORDERED BY CONSENT THAT

(1) The Defendant must within 28 days deliver to the Claimant, or to his solicitors, a Bill of Costs in respect of invoices number 2622803 dated 29th March 2018 and invoice number 2624225 dated 25th April 2018.

(2) The Defendant must give credit in that bill for all money received by him from or on account of the bills mentioned in Item (1).

(3) The Claimant to serve Points of Dispute within 28 days of the date of the Bills of Costs of the Defendant to include any issues in relation to the Retainer.

(4) The Defendant to serve any Replies within 28 days of service upon the of Points of Dispute.

(5) Either party to apply for a Detailed Assessment hearing within 3 months of the date of service of Replies.

DATED the APRIL 2019

COSTS JUDGE ROWLEY

BETWEEN:

LONDON BLOCK EXCHANGE LTD

Claimant

- and -

SQUIRE PATTON BOGGS (UK) LLP (Solicitors)

Defendant

**SKELTON ARGUMENT OF THE CLAIMANT
FOR HEARING BEFORE MASTER ROWLEY
TUESDAY 30TH APRIL 2019 at 10:30AM**

1. Introduction:

This Skeleton Argument is prepared on behalf of the Claimant (“C”) to assist the Court. C is a financial institution, regulated by the Financial Conduct Authority. C is legally represented in relation to 2 matters arising out of the apparent solicitor-client relationship with the Defendant (“D”) that is a firm of solicitors.

- a) D has applied to wind up the Claimant, absent a Judgment/Order/Claim on the basis of 2 interim requests for payment for apparent solicitors’ services. Its application is being defended at the High Court of Justice, case no: CR-2019-001356 and continues despite no determination at the SCCO. On 9th April, C attempted to agree directions in order to incorporate them into the Winding Up Petition proceedings so same time table applies. The Winding Up is reliant on the validity of the bills that C disputes. D did not agree to that and on 10th April the Winding Up Judge was addressed on the issue on solicitors bills rather than the matter first being determined by SCCO.
- b) C, having requested a Final Bill and been refused one, had no choice but to issue an Application for the delivery of the Final Bill.
- c) D has not filed any reply thereto but has written a letter to C’s solicitors’ *senior partner* with WPSAC points therein hence it is not admissible as inter partes correspondence. That letter has not been filed with the Court. No Witness Statement nor a proper reply was ever made served or filed by D in these proceedings.

Background:

2. This hearing is unnecessary and takes places further to a telephone hearing of 9th April 2019 only because the D did not:
 - 2.1 Agree Draft Directions as per 9th April hearing after C e-mailed them immediately after the hearing
 - 2.2 Reply to C's correspondence for 14 days
 - 2.3 Agree draft directions and still does not agree
 - 2.4 Attempt to agree Directions
 - 2.5 Attempt to narrow the scope of the hearing
 - 2.6 Explain the position on £13,000 deposited in its account by C's investor

Key issues:

3. **Retainer:** There is no signed LoE between parties. D states that it has conducted solicitors' work for C and that D was a solicitor for C. C's position is that D was approached via an external contractor not an employee and not a Director for work useful to that contractor as a friend to a friend. A friend of that contractor who worked as a solicitor for D. D sent invoices to that contractor who in 2019 asserted that the responsibility for payment was on C. Periods of the claimed retainer are unknown as it is the end point of the alleged retainer.
4. **Particulars of fees sought.** These have not been particularized, hourly rates are not agreed, Terms and Conditions have not been signed or explained, it is unknown which solicitor has had conduct of this matter.
5. **£13,000 placed with D.** C's investor worried about the Winding Up and placed £13,000 with D. D's interim request for payments amount to £10,523.54 and its Winding Up petition is for that amount. C is at utter loss as to what D is claiming money for and how much.
6. **Winding Up,** although D considers itself to be or have been a solicitor for C, it did not issue a claim against D but proceeded to Wind it Up. The Winding Up is based on the invoices that needed to be assessed by SCCO, the Winding Up process is not equipped to do so and submissions on technicalities of Solicitors bill were made at the Winding Up hearing on 10th April 2019. This is a waste of court's time and Winding Up, that was not ordered on 10th April needed to have its timetable incorporated in conjunction with the SCCO.

Chronology

12.03.18 External contractor of C states to C that he needs a law firm for his own work
13.03.18 that contractor speaks to D via a friend who works at D but signs no LoE and nothing for C
20.03.18 Contractor has contact with D but not for C
21.03.18 Contractor receives his own LoE for him but does not sign
05.06.18 D starts asking contractor for money
26.10.18 Contractor receives invoices, no explanation or breakdown
08.01.19 C's contractor confirms to D that he is not responsible for their invoices
10.01.19 Mr Hill of D writes to introduce himself to contractor of C
15.01.19 C's contractor confirms that he is external and not C
27.01.18 D starts asking C for more money
28.02.19 D's application to Wind Up C
12.03.18 C's Investor sends D £13,000 to close the matter, but D continues on
26.03.19 C's solicitors request Final Bill and Certificate of Service of Final Bill
27.03.19 C's 2nd request for Final Bill
27.03.19 D's email asking what a Final Bill is
27.03.19 C's warning of an SCCO Application
27.03.19 D asking what SCCO proceedings are, and for "*statutory provisions*" for SCCO claim
27.03.19 C's further request for a Final Bill
04.04.19 C issued and served SCCO Application
04.09.19 SCCO Application filed in Winding Up proceedings and re-served
08.04.19 C's Application for a telephone hearing at SCCO before the Winding up Petition
08.04.19 D opposes the SCCO tel. hearing before Winding up
08.04.19 D states it will adjourn Winding Up and no need for SCCO hearing on 09.04.19
09.04.19 D it does not adjourn Winding Up
09.04.19 Telephone hearing before Master Rowley, SCCO
09.04.19 Draft SCCO Directions e-mailed to D immediately but no reply
09.04.19 C's Draft Directions filed with WS in the Winding Up petition
10.04.19 Winding Up hearing at HCJ, Directions given absent SCCO matter
15.04.19 Absent Agreed Directions, SCCO Order sent to parties listing the matter on 30.04.19
25.04.19 E-mail from D opposing Draft Directions of 09.04.19 asking for Order and issued Application
26.04.19 D calls SCCO makes unilateral arrangements for tel. hearing
26.04.19 C's letter to D setting out the position on Draft Directions of 9th April 2019
29.04.19 D comments for an online press release about C "*debt it is owed*"
29.04.19 D refuses to clarify the position of £13,000 paid thereto by C's Investor

7. Hearing on 9th April 2019

In accordance with the comment made by Master Rowley on 9th April 2019, the Claimant submitted to the Defendant immediately following the hearing, by e-mail, a draft form of Order for Directions as follows:

- (1) The Defendant must within 28 days deliver to the Claimant, or to his solicitor, a bill of costs in respect of invoices number 2622803 dated 29th March 2018 and invoice number 2624225 dated 25th April 2018.
- (2) The Defendant must give credit in that bill for all money received by him from or on account of the bills mentioned in Item (1).
- (3) The Claimant to serve Points of Dispute within 28 days of the date of the Bills of Costs of the Defendant to include any issues in relation to the Retainer.
- (4) The Defendant to serve any Replies within 28 days of service upon the of Points of Dispute.

(5) Either party to apply for a Detailed Assessment hearing within 3 months of the date of service of Replies.

8. The Defendant failed to respond to the proposed directions until just two days before the hearing fixed for 30th April 2019. There followed a series of lengthy exchanges between the parties with the Defendant failing to deal in any way with the issue of directions.
9. The matter has been drawn out totally unnecessarily in to issues that were either irrelevant or matters to be dealt with in the assessment.
10. The Claimant seeks an order as above with costs incurred between the parties arising out of the attached correspondence and hearing today to be payable by the Defendant to be assessed if not agreed.

PAUL WHITE
COSTS LAWYER FOR THE CLAIMANT

DATED: 30th April 2019

**IN THE HIGH COURT OF JUSTICE
SENIOR COURT COSTS OFFICE
COSTS JUDGE ROWLEY**

CLAIM NO: JR 1902065

BETWEEN:

LONDON BLOCK EXCHANGE LTD

Claimant

- and -

SQUIRE PATTON BOGGS (UK) LLP

Defendant

**CLAIMANT'S SUBMISSIONS ON THE PRELIMINARY ISSUES
PURSUANT TO ORDER OF MASTER ROWLEY DATED 30th APRIL 2019**

In accordance with the comment made by Master Rowley on 30th April 2019 and the Order of same date, the Claimant sets out details of the preliminary issues as follows:

A. Was there a Retainer between the Claimant and Defendant:

There is no signed Letter of Engagement between the parties. The Defendant states that it has conducted work for the Claimant and that Defendant was a solicitor for the Claimant. The Claimant's position is that the Defendant was approached via an external contractor Mr Marcin Nawrocki not an employee and not a Director for work useful to that contractor as a friend to a friend. The Claimant admits that Marcin Nawrocki from time to time utilized an email address with the domain of the Claimant but was never an employee, nor a Director and was never authorized by the Claimant to contractually bind it. Claimant's details are available on Companies House and a firm of solicitors would have had access to its very short list of Directors and the Articles of Association that are on the Companies House online. A friend of that contractor, a solicitor asserted that responsibility for the Defendant. The Defendant sent invoices to that contractor who with a delay i.e. in 2019 asserted that the responsibility for payment was on the Claimant. The Defendant uncritically followed that suggestion. There was and has never been any signed nor agreed Retainer between the Claimant and Defendant. The Claimant has not expressly agreed to the Defendant's Terms and Conditions. Moreover, the Claimant is simply unable to ascertain what work has been done and at what cost. The Defendant refused to provide it with its Final Solicitors' Bill and applied to the High Court to Wind the Claimant Up on the basis of the Defendants' invoices.

The Claimant is a money exchange business and was under the impression that should they need to engage a Firm of Solicitors, a face to face meeting would have been necessary for Know Your Customer/ Anti Money Laundering purposes and there was no such a meeting.

The Defendant has acted adversely and unambiguously towards the Claimant and the Claimant did not find that consistent with actions of a firm of solicitors acting for a client. The Defendant has made a negative press comment on its Winding Up action and enclosed an enlarged A4 size photo page of a passport of the Claimant's Director with a Witness Statement thereby compromising that Director's personal data. The Defendant has implied that it is a "friend" of the Claimant and gave otiose insolvency advice out of the remit of its purported retainer.

The Claimant rejects an argument that if an email with an attachment is sent but it is not signed nor explained, then a solicitors' firm becomes instructed by a client.

B. Are the invoices numbered 2622803 and 2624225 dated 29th March 2018 and 25th April 2018 respectively interim statute bills:

On the face of each invoice it merely gives the matter headings and the one-line narrative '*To our professional services in the above matter.*' The two invoices do not state that they are interim or final statute bills. They do not show the periods in which they cover. The invoices do not provide details of any instructions for the work done nor do they provide sufficient, if any, narrative to identify as to the work undertaken to enable advice to be taken as to their reasonableness.

The invoices/bills issued by the Defendant were never signed by the Claimant and neither was the covering letter attaching them.

C. Parallel proceedings

The Defendant has refused to give priority to the SCCO proceedings that the Claimant suggested are prioritized before the contested Winding Up proceedings. The Claimant is solvent, and the Defendant has applied to Wind the Claimant up before the SCCO determination of the above issues A-B. The Claimant continues to be solvent. Parallel proceedings in the same High Court of Justice continue unnecessarily. The Defendant has never issued any money claim nor sent a Letter of Claim to the Claimant.

D. Evidence

The Claimant intends to rely upon the entirety of evidence served thus far in all, inclusive of the Parallel proceedings concerning the above A-B issues in question.

Paul White
Costs Draftsman for the Claimant
DATED: 28th MAY 2019



CR-2019-001356

IN THE HIGH COURT OF JUSTICE
BUSINESS AND PROPERTY COURTS OF ENGLAND AND WALES
INSOLVENCY AND COMPANIES LIST (ChD)

INSOLVENCY AND COMPANIES COURT JUDGE PRENTIS

In the Matter of London Block Exchange Ltd

and

In the Matter of the Insolvency Act 1986

UPON THE PETITION of Squire Patton Boggs (UK) LLP presented against London Block Exchange Ltd on 25 February 2019

AND UPON there being a non-attendance pre-trial review held herein on 5th of July 2019

AND UPON READING THE EVIDENCE

IT IS ORDERED THAT the petition be listed for directions to be heard on 2 August 2019 at 12:30pm to be heard with the application sealed on the 19th of June 2019 already listed on that date.

Dated: 5 July 2019

To: Squire Patton Boggs (UK) LLP
(By email for service)

Ref: RH13



IN THE HIGH COURT OF JUSTICE
BUSINESS AND PROPERTY COURTS OF ENGLAND AND WALES
INSOLVENCY AND COMPANIES LIST

CR-2019-001356

IN THE MATTER OF LONDON BLOCK EXCHANGE LIMITED ('the
Company')
AND IN THE MATTER OF A WINDING UP PETITION
AND IN THE MATTER OF THE INSOLVENCY ACT 1986

2ND August 2019

Deputy ICC Judge Schaffer

BETWEEN:

SQUIRE PATTON BOGGS (UK) LLP

Petitioner

-and-

LONDON BLOCK EXCHANGE LIMITED

Respondent

ORDER

UPON hearing Mr Stephen Willmer for the Applicant Company and
Ms Kate Rogers for the Respondent Petitioner

AND UPON the petition to wind up the Company, presented to the
court on 25 February 2019 ('the Petition')

AND UPON the Company's application dated 19 June 2019

AND UPON the pre-trial review in the Petition being before the Court

AND UPON the Court's enquiry with the listing office at the outset of the hearing confirming that the Petition could not be heard until January 2020

IT IS ORDERED THAT:

1. The Petition shall be listed on the first available day after 1 December 2019, with a time estimate of 2 hours plus 1 hour judicial pre-reading time.
2. The Petitioner shall prepare a hearing bundle in accordance with the Chancery Guide (agreed if possible) for use at the hearing and shall file and serve the same not more than 7 and not less than 3 days before the hearing.
3. Skeleton arguments shall be filed (by CE filing and hardcopy) and served not less than 2 clear days before the hearing.
4. Costs in the Petition.



**In the High Court of Justice
Senior Courts Costs Office
Master Rowley**

Case number:
JR 1902065

London Block Exchange Limited	Claimant
-and-	
Squire Patton Boggs UK LLP	Defendant

On 6 September 2019 before Master Rowley sitting in Court 100 at The Royal Courts of Justice, Strand, London

UPON the preliminary issues hearing ordered on 30 April 2019

AND UPON HEARING counsel and the costs lawyer for the Claimant and counsel for the Defendant

IT IS DECLARED that:

- (1) The answers to the preliminary issues are:
 - (a) There was a retainer between the Claimant and the Defendant.
 - (b) The invoices numbered 2622803 and 2624225 are interim statute bills.

BY CONSENT IT IS ORDERED that:

- (2) Master Rowley will carry out a paper assessment of the invoices once the following directions have been complied with.

IT IS ORDERED that:

- (3) By 4pm on 20 September 2019 the Defendant is to serve a breakdown of costs (including a cash account) upon the Claimant.
- (4) By 4pm on 11 October 2019 the Claimant is to serve Points of Dispute upon the Defendant.
- (5) If the Defendant wishes to serve a reply, it is to do so by 4pm on 25 October 2019.
- (6) Either party may file a request for a hearing date in Form N258C together with the appropriate fee after 25 October 2019.
- (7) The Defendant is to lodge its papers with the court either with the N258C or upon notification that the Claimant has filed an N258C. The Defendant may provide its documents to the court in electronic format subject to any requirements of the court.
- (8) Costs reserved.

The court office at the Senior Courts Costs Office, Thomas More Building, Strand, London WC2A 2LL is open between 10 am and 4.30 pm Monday to Friday. Address all communications to the Court Manager quoting the SCCO reference number

①

CREDITORS' VOLUNTARY LIQUIDATION ("CVL") PROCEDURE

The CVL is a procedure for winding up a Company/LLP, which is insolvent. Whilst the process is begun by a Shareholders'/Designated Members' resolution, it is controlled by the creditors, who can confirm the choice of Liquidator or appoint a Liquidator of their choice.

In brief, the Board of Directors convene a General Meeting ("GM") to consider a Special Resolution to wind up the Company/LLP and an Ordinary Resolution to appoint a Liquidator. The Directors/Designated Members are also required to seek a Decision of the Company's Creditors on the nomination of the Liquidator. Under new Insolvency Rules, a physical meeting of creditors can no longer be convened to consider this nomination. A decision from creditors can now only be sought by the Directors/Designated Members via a **Deemed Consent Procedure** or by holding a **Virtual Meeting**.

The Directors/Designated Members are able to give notice to creditors to nominate a liquidator of the Company via a Deemed Consent Procedure. The decision will be deemed to have been made after 23:59 on the Decision Date, unless more than 10% of creditors by value, 10% in number of creditors, or 10 creditors object to the decision, making a written request that the decision be made by a creditors' meeting.

When holding a Virtual Meeting, the Decision Date is to be a day no later than the fourteenth day after the GM (in practice the Decision Date would be set on the same day as the GM). Notice to creditors of the Decision Date is sent not less than seven days before the day of the Decision Date. A Director/Designated Member is nominated to preside at the GM and to deal with creditors at the Virtual Meeting, although, in practice, the Insolvency Practitioner would assist with this. The Virtual Meeting is also advertised in the London Gazette.

In both scenarios, a Statement of Affairs and Directors'/Designated Members' Report to creditors ("SIP6 Report") must also be prepared and signed by one of the Directors/Designated Members, and sent to the Creditors to review ahead of the Decision Date. The Statement of Affairs must also be verified by a statement of truth.

In the hiatus period between the notices being sent to Members and Creditors and the date of the meetings being held, the Directors/Designated Members would be advised as follows:

The Directors/Designated Members must preserve the assets of the Company until a liquidator is appointed and should take all necessary steps to this end. Therefore, it is necessary to ensure that adequate insurance cover in respect of the company's/LLP's business and assets is in force, and that all assets, accounting records and statutory books are physically secured.

The company/LLP should not obtain goods or services on credit. Any goods or services required for the orderly realisation of the company's assets should be paid for on a cash basis.

No payments should be made in respect of existing liabilities.

No goods or assets of any description should be supplied or returned without the advice of the insolvency practitioner.

No action should be taken, which is prejudicial to the interests of the general body of creditors, any class of creditor or any individual creditor.

On liquidation, all powers of management cease and the liquidator controls the Company's/LLP's assets and undertaking. The Directors/Designated Members have no authority whatsoever to enter into any transaction on behalf of the Company/LLP without the sanction of the Liquidator.

SQUIRE
PATTON BOGGS

16 October 2019

By 1st Class Post & e-mail: pwhiteis@aol.com

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Our ref AP17/HAM.150-0220

Dear Sirs

London Block Exchange Ltd v Squire Patton Boggs (UK) LLP

Further to service of Points of Dispute and the order of 6 September 2019, we enclose Replies to Points of Dispute.

In accordance with paragraph 6 of the order please request a hearing date. Please promptly advise us when you have filed an N258C in order that we can comply with paragraph 7 of the order.

Yours faithfully

Squire Patton Boggs (UK) LLP
Squire Patton Boggs (UK) LLP

44 Offices in 19 Countries

Squire Patton Boggs is the trade name of Squire Patton Boggs (UK) LLP, a Limited Liability Partnership registered in England and Wales with number OC 335584 authorised and regulated by the Solicitors Regulation Authority. A list of the members and their professional qualifications is open to inspection at 7 Devonshire Square, London, EC2M 4YH. The status "partner" denotes either a member or an employee or consultant who has equivalent standing and qualifications.

Squire Patton Boggs (UK) LLP is part of the international legal practice Squire Patton Boggs, which operates worldwide through a number of separate legal entities.

Please visit squirepattonboggs.com for more information.

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014-4720-9170/1/EUROPE

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29 October 2019

By 1st Class Post & e-mail: pwhiteis@aol.com

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andrew.proctor@squirepb.com

Our ref AP17/HAM.150-0220

Dear Sirs

London Block Exchange Ltd v Squire Patton Boggs (UK) LLP

Further to our letter of 16 October 2019 can you confirm whether you have requested a hearing date pursuant to paragraph 6 of the order of 6 September 2019? If not, can you confirm your client's intentions in this regard? Is your client going to request a hearing? If so, when does it intend asking for a hearing? If it doesn't intend asking for a hearing, why not, given that this action was brought by your client?

We look forward to hearing from you shortly.

Yours faithfully

Squire Patton Boggs (UK) LLP

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23 December 2019

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Our ref AP17/HAM.150-0220

Your ref JR1902065

Dear Sirs

London Block Exchange Limited v Squire Patton Boggs (UK) LLP

As the Claimant has not filed a request for Detailed Assessment hearing on this matter, we enclose form N.268C together with a cheque for £369.00 and a Statement of Parties.

We refer you to the order of Master Rowley dated 6 September 2019 paragraphs 2,6 and 7 and invite a paper assessment of the invoices.

Also enclosed with this letter is a lever arch file of documents containing the following:

1. The two invoices numbered 2622803 and 2624255 which are the subject of the assessment.
2. The internal time records of Squire Patton Boggs (UK) LLP ("SPB") supporting those invoices.
3. Copy documents extracted from SPB's electronically held file. This particularly consists of copy e-mails. In order to hopefully assist the Court, we have tried not to include duplicates where there has been a chain of e-mails. Instead we have copied the latest e-mail. This reduces the provision of duplicated documents and we hope avoids confusion.
4. Copy Breakdown
5. Points of Dispute
6. Reply to Points of Dispute

There has been significant work done and numerous communications with the Claimant after delivery of the invoices but those documents are not provided. We refer the Court to the

47 Offices in 20 Countries

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014-4795-5704/1/EUROPE

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Squire Patton Boggs (UK) LLP
Senior Court Costs Office
23 December 2019

witness statement of Mr Russell Hill, partner of SPB dated 24 June 2019 for further information.

We look forward to hearing from you and please do contact the writer on the above contact details should you require any further information or assistance with the assessment.

Yours faithfully

Squire Patton Boggs (UK) LLP



Agent Annual Audit: Questionnaire

Agent Name:	Dragon Payments Ltd
Date:	3/1/20
Location:	United Kingdom
Present (Agent):	Benjamin Dives
Present (CFS-Zipp):	

A. Current Company Profile			
No.	Question	Response	Supporting Document
•	Describe the financial operations the business currently conducts.	Dragon Payments holds digital wallets on behalf of its customers who want to trade cryptocurrencies.	
•	What operations fall under the Scope of CFS-Zipp's E-Money Licence?	The issuance of E Money and the provision of IBAN's for customers.	
•	What operations or activities fall outside the scope of CFS-Zipp's E-Money Licence?	None	
•	Describe the current fund flow and/or provide a diagram.	Customers deposit GBP into a retail client account or if corporate and have their own IBAN. Customers may then elect to move funds to settle invoices.	
•	Are you registered with an EU Data protection Authority (such as the ICO)?	Yes	

•	Is the company regulated by any other financial regulator?	No	
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B.		Corporate Governance and Senior Management Responsibility	
No.	Question	Response	Supporting Document
	<i>Company Structure</i>		
•	Does the business maintain a group company structure chart outlining all shareholders and beneficial owners?	No	
•	Who is the current UBO and who has overall control of the business?	Johnny Sandelson	
•	Who are the current directors and who is the current MLRO/ Nominated Officer?	Benjamin Dives	
	<i>Associates, Branch offices or Subsidiaries</i>		
• 1.	Does the business have any associates, branch offices or subsidiaries?	No	
• b.	If so, please describe how the business ensures that such associates, branches or subsidiaries demonstrate compliance with AML/CTF and other financial crime regulations, procedures and policies.	NA	
	<i>Outsourcing</i>		
• a	Does the business outsource or rely on any third party in respect of its AML/CFT functions?	No	
•	Does the business outsource any other functions?	No	
	<i>Record Keeping</i>		
•	How long does the business keep account of AML/CFT records?	5 years	
•	In what manner or form are the businesses AML/ CFT records maintained?	Electronically	

• .	What procedures and controls do you have in place to ensure that records are prepared and maintained correctly (i.e. for the correct length of time and in a readily retrievable form)?	We store all the documents in a cloud based system and take regular backups of the entire folder	
• 7.	Please describe how the business ensures that documents can be made available in a timely manner?	We can retrieve the documents from the cloud based system easily.	
	<i>Business Risk Assessments</i>		
• .	Does the business have a business wide Risk Assessment (RA)?	Yes	
•	Who is responsible for carrying out the RA?	Senior Management Team	
•	Has the Board approved the current RA?	Yes	
	<i>Board/Senior Management Review of AML/CFT Requirements</i>		
• 9.	Describe the measures taken by the business in reviewing compliance with AML/CFT Requirements under current regulations.	We have Monthly and Quarterly reviews of the compliance process – in line with the new guidelines from the FCA	
• .	When was the last review undertaken?	Q4 2019	
• .	How often is a review performed?	Quarterly	
	<i>Testing/Audit of AML/CFT Policies & Procedures</i>		
• 1.	Describe how the business's AML/CFT policies, procedures and controls are monitored and tested and what frequency.	We employ external consultants to regularly check out processes, policies and controls, at least once a quarter.	
• 1.	Have there been any internal and/or external audit recommendations made in relation to the AML/CFT controls in the last two years?	No none	

•	If so, please provide a copy of those audit recommendations		
•	Does the business keep records of any minutes or other documents prepared in relation to the Board review of its compliance Policies, Procedures and Controls?	We do not	
•	If so, how long are such documents kept for?		
	<i>Resources</i>		
• 15	Does the business consider that it has sufficient resources in place to ensure its responsibilities under current regulations are complied with?	Yes we do	
•	Is this documented/how can this be demonstrated?	We have recently updated our AML Compliance document	
	<i>Communication of Policies and Procedures</i>		
• 1.	Describe how the Board ensures that employees are aware of the AML/ CFT policies and procedures.	We train new staff on the AML Compliance document and also invite the rest of the team to join those trainings. Staff must attend at least two per year.	
•			

C. Policies, Procedures and Internal Controls			
No.	Question	Response	Supporting Document
	<i>Internal Policies, Procedures and Controls</i>		
•	Date of current AML/CFT policies, procedures and controls?	August 2019	
• 1.	Has the business established adequate policies and procedures to address the specific risks associated with non-face to face customers?	Yes	
	<i>Customer relationships</i>		
•	How many customer relationships do you have?	5000	

•	What do you do if your software report a PEP to you?	We review on a case by case basis	
• b.	What number and percentage of customer relationships and transactions have been identified as (i) low risk; (ii) medium risk; (iii) high risk?	• 80% • 15% • 5%	
	<i>Customer Risk Assessments</i>		
• 2.	Describe how the assessment of risk for each customer relationship is reached and how can this be demonstrated?	We have an in-house scoring algorithm for assessing each customer.	
• .	Has a risk assessment been carried out on all existing customers?	Yes	
• d.	Where you are not obtaining information to evaluate risk level of a customer, what action are you taking?		
	<i>Customer Due Diligence ("CDD") Measures: Identification and Verification</i>		
• .	When does the business undertake CDD measures?	On every new customer	
• .	Describe how you undertake CDD.	We check a selfie against an ID, and we check the address against several databases including PEP and sanction screening.	
•	Do you have any customers who are not individuals (e.g. legal bodies such as companies or partnerships)?	Yes	
• .	If the customer is not an individual (i.e. legal body such as a company or trust), do the identification and verification procedures differ?	Yes we conduct full KYB including reviewing the POA and ID of the directors and UBO's. We screen and scan for PEP's and sanctions.	
•	If yes, how the identification and verification procedures differ?		

• .	Describe the process that is in place for determining the purpose and intended nature of a customer relationship.	We inform our clients that they are signing up to a digital wallet.	
	<i>Non-Compliance with Customer Due Diligence Measures</i>		
• .	Describe the process that is undertaken if a (potential) customer cannot be verified/CDD measures cannot be complied with?	We reject them	
	<i>Anonymous Accounts/Accounts in Fictitious Names</i>		
• .	Has the business set up any anonymous customer accounts or accounts in fictitious names?	No	
	<i>Cash</i>		
• .	Does the business accept cash or make cash available to customers?	No	
	<i>Monitoring - Standard and High Risk</i>		
• 3.	Are transactions and customers monitored for suspicious transactions?	Yes	
• .	How does the business record and store identification data?	We use Spacecloud provided by CFSZIP	
• .	How does the business ensure that a transaction is consistent with the business' understanding of the customer, and their risk profile?	We cross check against their nature of business, invoice type and reason for the payment.	
• 4.	How do you determine activity triggers and thresholds to measure risk in the areas of deposits, withdrawals and gambling transactions?	We conduct EDD for all payments inbound and outbound	
• 4.	Describe what methods and measures have been taken in relation to ongoing monitoring in order to manage and mitigate the risks	We identify any high risk transactions against an algorithm and apply additional bespoke scrutiny to the transaction	
	<i>Intermediaries</i>		

•	Do you deal with intermediaries?	No	
•	Do you treat any intermediaries as the customer?	No	
•	What due diligence is conducted on intermediaries?	N/A	
i)	Standard Risk Relationships		
No.	Question	Response	Supporting Document
	<i>Monitoring</i>		
•	Describe what monitoring is performed on standard risk relationships	Standard risk relationships are applied as per out compliance manual, with EDD for all inbound and outbound transactions.	
• 5.	How often/when does monitoring occur in standard risk relationships?	For every transaction.	
• 5.	How is monitoring undertaken either manual procedures or computerised systems?	Typically manual but we may also use desktop research to identify sources of wealth	
•	Do you use trigger events as part of the ongoing monitoring?	We do not.	
ii)	High Risk Relationships		
No.	Question	Response	Supporting Document
• 5.	Describe the procedures to assess, control and monitor high risk relationships.	High risk transactions come with addition scrutiny such as communicating with the end client and ensuring they are consistent with the documentation they provide.	
	<i>Enhanced customer Due diligence</i>		
• 5.	In relation to which customer relationships does the business carry out enhanced CDD (EDD)?	Our business clients all are screened with EDD.	
• 5.	Describe the EDD procedure for establishing, or continuing, a relationship with high risk customers.	We check source of funds for every transaction and we check all their personal information.	
	<i>Politically Exposed Persons (PEPs)</i>		

• 5.	What number of high-risk relationships have been identified as including one or more PEPs?	1	
• .	What procedures and controls does your business have in place to identify PEPs?	PEP screening	
• 6.	Describe the approval and sign-off procedures for the acceptance of PEPs.	The MLRO and a Director needs to approve	
•	Do you maintain a PEP register	Yes	
	<i>High risk jurisdictions and products/services</i>		
• 6.	From which jurisdictions do the high-risk relationships normally come from?	Eastern europe	
• .	Which products and/or services offered by the business are perceived to hold the greatest AML/CFT risks and why?	The Cryptocurrency transactions	
• .	Describe what controls are in place to mitigate these risks	We apply Elliptic and Coinfirm screening to all inbound flows.	
	<i>Monitoring</i>		
• .	Describe what monitoring is performed on high risk relationships.	We will perform quarterly reviews of each account and monitor the accounts for unusual activity	
• .	How often/when does monitoring occur in high risk relationships?	IF we notice something is not as it should be, we then investigate further. Anything suspicious we report it to the NCA.	
	<i>Third Party Payments</i>		
• .	Is there a policy for remitting third party payments?	Yes	
• .	If so, describe the policy and how it mitigates the associated risks	Customer needs to provide an Invoice or settlement proof.	
	<i>UN and EU Sanctions</i>		

• 8.a.	How does the business check that it is meeting the EU Regulations and Resolutions of the UN Security Council EU requirements regarding not transacting with persons or entities subject to sanctions?	We screen all the onboarding companies and the recipients of payments for sanctions.	
• .	Describe the procedure for sanctions screening.	We use a number of databases to make sure we do not miss any potential sanctions.	
• c.	Describe the monitoring method(s) used to identify if a customer is subject to sanctions	We use World Check	

D.		MLRO	
No.	Question	Response	Supporting Document
	<i>Appointment of MLRO/ Nominated Officer</i>		
• .	Who is the current MLRO?	Benjamin Dives	
• .	Describe the resources available for the MLRO to adequately perform their duties.	World check and other database checking transaction monitoring	
• 7.	Describe how employees are made aware of the name of the MLRO and nominated officer.	They are told when they join.	
	<i>Suspensions: Processes and Reporting</i>		
• .	What is the process for staff when they form a suspicion?	They raise the suspicion to their line manager and do not tell anyone else	
• 7.	Is an internal suspicion reporting form available for staff to document their suspicion?	Not yet	
• 7.	Has the business declined to register any customers or terminated any customer relationships due to suspicion of ML/ TF?	Yes	

• 8.	How many internal suspicion reports have been submitted to the MLRO during the past 12 months?	1	
• .	Describe the measures in place to ensure that senior management are aware of issues arising from such reports	All staff are regularly trained in identifying suspicious activities and they meet once a week to discuss any issues that might arise from a client.	
	<i>Corporate Governance</i>		
• .	To whom does the MLRO Report?	The Director	
• .	Are there any conflicts of interest in your organogram/structure?	No	
• .	Describe how the MLRO maintains regular and direct access to the Board	He is the same person.	
•	Does the MLRO produce an annual report?	Yes – this has recently been implemented.	
	<i>Training</i>		
• 8.	Describe how the MLRO maintains an awareness of AML/CFT legislation and/or global developments in the sector	He is supported by consultants and experts who help guide and shape policy.	

E.		Employee Screening, Staff Training and Awareness	
No.	Question	Response	Supporting Document
	<i>Screening</i>		
• 90.	Describe screening requirements for new employees (<i>assessment of — (i) the skills, knowledge and expertise of the individual to carry out their functions effectively; and (ii) the conduct and integrity</i>)	- They undergo rigorous interviewing. - We conduct interviews with their previous employer to find out about how they conducted themselves.	
• .	Are Police Checks considered?	Yes	
• .	Are any references taken?	Yes	
	<i>Training</i>		
• .	Describe what the standard AML/CFT training program consists of	We take someone through the documents and then test their knowledge with a test.	

•	Are the AML offences and potential criminal liability of employees detailed in AML/CFT training?	Yes	
•	Are employees trained on the detection of unusual or suspicious transactions, and the internal reporting of such transactions to the MLRO?	Yes	
•	Do you maintain a training log and is this up to date?	Yes	
•	Confirm that all of your employees are required to complete the AML/CFT training program.	Yes	
•	Do the Board and senior management receive additional training (specific to their responsibilities)? If yes, what additional training is received?	No	
•	Who is responsible for AML/CFT training?	The MLRO	
•	How often is AML/CFT training provided?	Twice a year for all staff and on joining the firm	
• b.	Within what timeframe are new employees required to have completed their AML/CFT training?	1 month	
•	How is effectiveness of AML/CFT training assessed?	High	
	<i>Records</i>		
• 8.	What AML/CFT training record does the business keep and for how long?	It doesn't but we will implement	

F. Treat your customer Fairly

No.	Question	Response	Supporting Document
•	Are you aware about the Treat your Customer Fairly policy?	Yes	
•	How has this been implemented? And monitored?	We refer to it during meetings on a periodic basis	

•	Is the information in your website presented in a way that is likely to be understood by the average member of the group to whom it is directed or by whom it is likely to be received?	Yes we pride ourselves on offering a simple to understand offering.	
•	Does the firm make sure not to disguise, diminish or obscure important information, statements or warnings?	Yes	
•	Does the firm take into account the nature of the retail banking service, the banking customer's or the actual commitment using reasonable recipient?	Yes	
•	Are products or services described as "guaranteed", "protected" or "secure"?	No	
•	Has your firm TCF training program in place?	Yes	
•	Describe how the business's TCF procedures and controls are monitored and tested and what frequency.	We invite customers to feed back and listen to their requests.	
•	Do you keep record about the TCF monitoring?	No	

G. Other			
No.	Question	Response	Supporting Document
•	Which banks are used to hold relevant/client funds?	Clearbank, Sparkasse	
•	Are these funds separate from all other fund held once received?	Yes	
•	Do you publish financial promotion material or communicate products to the public?	No	
•	Do you have a Financial Promotions Policy?	Yes	
•	Do you have an up to date Data Protection and information Security Policy?	Yes	
•	Do you maintain an up to date data breach log?	Yes	

•	How many data breaches have there been in the last 12 months?	None	
•	Do you have an up to date complaints policy in line with CFS-Zipps?	• We do not have a copy of CFSZIPPS complaint policy	
•	Do you maintain an up to date complaints log?	Yes	
•	How many complaints have there been in the last 12 months?	0	
•	Do you have a business continuity/disaster recovery plan?	Yes	



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Squire Patton Boggs
Rutland House
148 Edmund Street
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B3 2JR

By e-mail to: russell.hill@squirepb.com

21st January 2020

Your ref: AP/17/AHM 150-220 & SXT1/AJW4
Our ref: RD/LBE /01

Dear Sirs

RE: Squire Patton Boggs LLP Solicitors -v- Dragon Payments Ltd (formally London Block Exchange)
Winding up Petition number: CR-2019-001356

Thank you for your yesterday's e-mail. We continue to act in the above matter. Further to the upcoming resolution of the SCCO position, our client would welcome a measure of agreement in the winding up proceedings.

Yours faithfully,

W Legal Limited

Master Rowley
Senior Courts Costs Office
The High Court of Justice
Thomas More Building
Royal Courts of Justice
WC2A 2LL

Also by e-mail: scco@justice.gov.uk

22nd January 2020

URGENT

Dear Master

Case number: JR 190 20 65

Claimant: London Block Exchange Ltd (now Dragon Payments Ltd)

Defendant: Squire Patton Boggs LLP (Solicitors)

We act for the Claimant in the above matter that was last before you on 6th September 2019. There continue to exist almost parallel proceedings between the above parties at the High Court, Business and Property Courts, where on 25th February 2019, the Defendant brought a Winding Up Petition against the Claimant under case number CR-2019-001356 for unpaid solicitors' invoices that are you are currently assessing. As per yesterday's e-mail from the Defendant/ Petitioner, the final Winding Up hearing has just been listed for Friday 31st January at 2pm. The Petition proceeds on the basis of disputed solicitors' fees between the Defendant/ Petitioner and the Claimant/Company.

It is the Claimant's position that should you be able to issue your decision prior to 31st January 2020, it would greatly assist matters at the Business and Property Courts as you are equipped to deal with disputes concerning solicitors' fees.

Should you not be able to issue your decision prior to 31st January, we would be grateful for an indication as to a possible date, so the Claimant might consider applying for an adjournment of the Winding Up hearing in the Companies' Court.

I enclose the PTR Order in the Winding Up matter of 2nd August 2019. The Claimant had applied for a listing after September 2019 hoping for the SCCO conclusion in the year 2019 and at the PTR a listing was ordered after December 2019. The Claimant has no objection to the SCCO discussing the matter directly with the Business and Property Courts.

I confirm that I have copied the Defendant into this correspondence.

Yours faithfully,

P White

Cc: Mr Andrew Proctor: andrew.proctor@squirepb.com



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By e-mail to: russell.hill@squirepb.com

22nd January 2020

Your ref: AP/17/AHM 150-220 & SXT1/AJW4
Our ref: RD/LBE /01

Without Prejudice Save as to Costs

Dear Sirs

RE: Squire Patton Boggs LLP -v- Dragon Payments Ltd (formally London Block Exchange Ltd)
Winding up Petition number: CR-2019-001356

We are instructed to confirm your position on a practical settlement of the above matter concerning the principal sum and your costs. We would be very grateful for a prompt reply having noted your position on our client's proposal to adjourn the 31st January hearing by consent.

Yours faithfully,

W Legal Limited



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Rutland House
148 Edmund Street
Birmingham
B3 2JR

Also by fax: 01212223001
And by e-mail to: russell.hill@squirepb.com

23rd January 2020

Your ref: AP/17/AHM 150-220 & SXT1/AJW4
Our ref: RD/LBE /01

Dear Sirs

RE: Squire Patton Boggs LLP -v- Dragon Payments Ltd (formally London Block Exchange Ltd)
Winding up Petition number: CR-2019-001356

Thank you for your today's fax with a Notice of Listing that the Company has been made aware of.

Please find enclosed the Company's Notice of Change.

Yours faithfully,

W Legal Limited

Encl.

Notice of change of legal representative

Note:

You should tick either box A or B as appropriate and box C. Complete details as necessary.

In the High Court of Justice, Business and Property Courts	Claim No. CR-2019-001356
Name of Claimant (including ref.) Squire Patton Boggs (UK) LLP	
Name of Defendant Dragon Payments Ltd (formally London Block Exchange Limited)	

I (We) give notice that

A ☒ my legal representative (insert name and address)

W LEGAL, 12 Summit House, 12 Red Lion Square, London, WC1R 4QH

has ceased to act for me and I shall now be acting in person.

B ☐ we (insert name of legal representative)

have been instructed to act on behalf of the claimant (defendant) in this claim
in place of (insert name and address of previous legal representative).

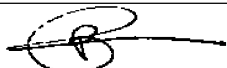
C ☒ I (we) have served notice of this change on every party to the claim (and on the former legal representative).

Address to which documents about this claim should be sent (including any reference)

Kemp House 160 City Road London EC1V 2NX Postcode EC1V 2NX	If applicable	
	Telephone no.	
	Fax no.	
	DX no.	
	Your ref.	

E-mail	
--------	--

Signed



(Claimant)(Defendant)(s legal representative)
(Litigation friend)

Position or
office held

Director

If signing on behalf of firm or company

Date

23/01/2020

For further details of the courts www.gov.uk/find-court-tribunal

When corresponding with the Court, please address forms or letters to the Manager and always quote the claim number.

Fraser Chambers
RDE 30th Floor
Leadenhall Building
122 Leadenhall St
London EC3V 4AB

T 0203 582 1767
E clerks@fraserchambers.com
W fraserchambers.com



Squire Patton Boggs

By email only: russell.hill@squirepb.com

23rd January 2020

You ref: AP/17/AHM 150-220 & SXT1/AJW4

My ref: AVD/LBX

Dear Squire Patton Boggs

RE: *Squire Patton Boggs v Dragon Payments Ltd (formerly London Block Exchange Limited)*

Please be advised that I act for Dragon Payments Ltd (formerly London Block Exchange Limited) ("my Client") on a direct access basis. Please correspond directly with me rather than with my Client, whilst serving my Client but sending a copy of what you serve on my Client to me as a courtesy.

I have had sight of your email of today to my Client. You may correspond with me electronically. My Client does not consent to electronic service. Please send both an electronic and hard copy of the bundle to Mr David Giles at Goldsmith Chambers who I understand will be representing my Client at the hearing next Friday.

Finally, please find enclosed a copy of a self-explanatory application that has been filed at Court.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Anton van Dellen', is written over a horizontal line.

Dr Anton van Dellen, Barrister

LISTING ORDER

**IN THE HIGH COURT OF JUSTICE
BUSINESS AND PROPERTY COURTS OF ENGLAND AND WALES
INSOLVENCY AND COMPANIES LIST (ChD)**



CR-2019-001356

DATED 23 JANUARY 2020

IN THE MATTER OF LONDON BLOCK EXCHANGE LIMITED

AND IN THE MATTER OF THE INSOLVENCY ACT 1986

B E T W E E N :-

SQUIRE PATTON BOGGS (UK) LLP

Petitioner

-and-

LONDON BLOCK EXCHANGE LIMITED

Respondent

UPON THE PETITION of the above named Petitioner presented to the Court
on 25 February 2019

AND UPON reading the order of Deputy Insolvency and Companies Court
Judge Schaffer dated 2 August 2019

IT IS ORDERED THAT:

1. Pursuant to paragraph 1 of the above mentioned order the matter be listed
to be heard on 31 January 2020 at 2pm, with a time estimate of 2 hours.
2. Hearing bundles be lodged with the Court by 4pm on 28 January 2020.
3. Skeleton arguments be lodged with the Court by 4pm on 29 January 2020.



In the High Court of Justice
Senior Courts Costs Office
Master Rowley

Case number:
JR 1902065

Plaintiffs	London Block Exchange Limited	Claimant
	-and-	
	Squire Patton Boggs UK LLP	Defendant

On 6 September 2019 before Master Rowley sitting in Court 100 at The Royal Courts of Justice, Strand, London

UPON the preliminary issues hearing ordered on 30 April 2019

AND UPON HEARING counsel and the costs lawyer for the Claimant and counsel for the Defendant

IT IS DECLARED that:

- (1) The answers to the preliminary issues are:
 - (a) There was a retainer between the Claimant and the Defendant.
 - (b) The invoices numbered 2622803 and 2624225 are interim statute bills.

BY CONSENT IT IS ORDERED that:

- (2) Master Rowley will carry out a paper assessment of the invoices once the following directions have been complied with.

IT IS ORDERED that:

- (3) By 4pm on 20 September 2019 the Defendant is to serve a breakdown of costs (including a cash account) upon the Claimant.
- (4) By 4pm on 11 October 2019 the Claimant is to serve Points of Dispute upon the Defendant.
- (5) If the Defendant wishes to serve a reply, it is to do so by 4pm on 25 October 2019.
- (6) Either party may file a request for a hearing date in Form N258C together with the appropriate fee after 25 October 2019.
- (7) The Defendant is to lodge its papers with the court either with the N258C or upon notification that the Claimant has filed an N258C. The Defendant may provide its documents to the court in electronic format subject to any requirements of the court.

- (8) Costs reserved.

The court office at the Senior Courts Costs Office, Thomas More Building, Strand, London WC2A 2LL is open between 10 am and 4.30 pm Monday to Friday. Address all communications to the Court Manager quoting the SCCO reference number

LISTING ORDER

**IN THE HIGH COURT OF JUSTICE
BUSINESS AND PROPERTY COURTS OF ENGLAND AND WALES
INSOLVENCY AND COMPANIES LIST (ChD)**



CR-2019-001356

DATED 23 JANUARY 2020

IN THE MATTER OF LONDON BLOCK EXCHANGE LIMITED

AND IN THE MATTER OF THE INSOLVENCY ACT 1986

B E T W E E N :-

SQUIRE PATTON BOGGS (UK) LLP

Petitioner

-and-

LONDON BLOCK EXCHANGE LIMITED

Respondent

UPON THE PETITION of the above named Petitioner presented to the Court
on 25 February 2019

AND UPON reading the order of Deputy Insolvency and Companies Court
Judge Schaffer dated 2 August 2019

IT IS ORDERED THAT:

1. Pursuant to paragraph 1 of the above mentioned order the matter be listed
to be heard on 31 January 2020 at 2pm, with a time estimate of 2 hours.
2. Hearing bundles be lodged with the Court by 4pm on 28 January 2020.
3. Skeleton arguments be lodged with the Court by 4pm on 29 January 2020.

Respondent Company
P.White
Second
Exhibits PW/1
17.06.2019

Case no: CR2019-001-356

IN THE HIGH COURT OF JUSTICE
BUSINESS AND PROPERTY COURTS OF ENGLAND AND WALES
INSOLVENCY AND COMPANIES LIST

SQUIRE PATTON BOGGS UK LLP (Solicitors)

Applicant

-and-

LONDON BLOCK EXCHANGE LTD

Respondent

FIRST WITNESS STATEMENT OF
PAUL WHITE

1. I am a Costs Lawyer and Costs Draftsman. I have approximately 40 years of experience in dealings with solicitors' costs and entitlement thereto. It is fair and accurate to state that I am a very experienced costs lawyer. I am instructed and authorised by the Respondent to provide this Witness Statement. The facts and matters in this First Witness Statement are within my own knowledge save where I have indicated otherwise. Where I have indicated that matters are not within my own knowledge, I have indicated the sources of my information and belief.

2. I am making this Witness Statement in support of the Company's application to list the Winding Up hearing after the conclusion of the very similar proceedings that are currently live at the High Court of Justice Senior Court's Costs Office ("SCCO"). In these

proceedings the Company made a claim for a Costs Judge to assess the Petitioner's entitlement to any solicitors' costs and determine whether there has ever been a solicitors' retainer between the Petitioner and the Company. The Petitioner has applied to Wind Up the Company on the basis of 2 invoices that the Company disputes. The invoices are not sufficiently particularised, do not constitute a proper Solicitors' Bill of Costs and I am unable to advise the Company on their content due to the manner they have been issued. I do not believe that any other costs lawyer may advise the Company on the contents of these invoices for same reasons.

3. A relationship between a solicitor and a client is governed by the 1974 Solicitor's Act ("the Act") and this includes strict and specific rules for solicitors billing their clients. Solicitors' clients are treated differently than ordinary consumers of services and there are specific rules on what constitutes a solicitor's interim request for payment and a Final Bill of Solicitors' Costs under the Act. A client of a solicitor is entitled to a detailed and itemised Bill free of charge.

4. The Company challenges the Petitioner's entitlement to any costs and considers it improper for the Petitioner to have issued a Winding Up Petition on the basis of its 2 interim requests for payment that do not, on the Company's case, constitute a proper Bill of Solicitors costs that the Company is entitled to. Despite request, to date, the Petitioner has still not issued its Final Bill under the Act.

5. On 4th April 2019 the Respondent issued a Claim at the SCCO under the 1974 Solicitors Act against the Petitioner and challenged: the Petitioner's entitlement to claiming any solicitors' fees whatsoever, their unparticularised quantum and the existence of any Retainer between the parties. The Company has never signed the Petitioner's Letter of Engagement and disputes that the Petitioner has ever been its solicitor.

6. There has been a series of hearings in the SCCO heard by Master/Costs Judge Rowley, where I represent for the Company. Master Rowley made it clear at the hearings and particularly on 30th April 2019 that the SCCO is best equipped to adjudicate upon the issues between the Petitioner and the Company and deals with such disputes as a matter of daily lists.

7. Because of these comments, the Company's claim having been issued as valid, a timetable in place, I believe that the SCCO will have by mid September 2019 resolved the position of the two invoices and thereby save the Court's time in the Winding Up proceedings.

8. Although the Petitioner continues to proceed with the Petition, since 20th March 2019, the Petitioner has held £13,000 that was paid to it by the Company's investor in relation to the disputed £9,900 required in order to close the matter but the Petitioner still proceeded on 10th April 2019.

9. The SCCO matter proceeded because the Petitioner not only failed to agree the standard directions as suggested by Master Rowley on 9th April 2019 but did not respond for 2 weeks and responded on a Friday before the Monday 30th April hearing not agreeing them. There is now a timetable for the SCCO matter that occurred with a delay as a result of Petitioner's actions. The Company asked for a hearing at the SCCO on 9th April 2019 a day before the Winding Up hearing of 10th April 2019, in order to affirm the SCCO proceedings. At that hearings Master Rowley suggested agreed Directions that were sent to the Petitioner immediately after the hearing in the afternoon of 9th April but the Petitioner did not respond.

10. The Company proposed that the SCCO matter proceeds before the Petition, so the issue of the disputed retainer and your disputed Final Bill is determined by Costs Master Rowley, but on 1st May 2019 in correspondence, the Petitioner refused to stay the Winding Up Petition in order for the SCCO to resolve the issue in question.

11. Having dealt with disputes of solicitors 's costs for most of my professional life, I agree with Master Rowley that this matter is best resolved by the SCCO before the Winding Up proceedings.

STATEMENT OF TRUTH

I believe that facts stated in this Witness Statement are true.

Paul White

17th June 2019

ORDER In the High Court of Justice
Senior Courts Costs Office
Master Rowley

Case number:
JR 1902065

Parties London Block Exchange Limited
-and-
Squire Paton Boggs UK LLP



On 30 April 2019 before Master Rowley sitting in Court 100 at The Royal Courts of Justice, Strand, London

UPON THE APPLICATION of the Claimant

AND UPON HEARING the costs lawyer for the Claimant and the legal executive for the Defendant

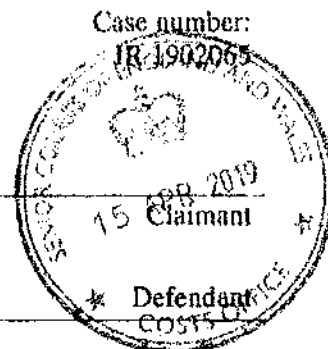
IT IS ORDERED that:

- (1) There is to be a preliminary issues hearing at 10.30am on Friday, 6 September 2019 before Master Rowley sitting in Court 100, Thomas More Building, Royal Courts of Justice, Strand London WC2A 2LL (half a day allowed).
- (2) The preliminary issues are:
 - (a) Was there a retainer between the Claimant and the Defendant?
 - (b) Are the invoices numbered 2622803 and 2624225 and dated 29 March 2018 and 25 April 2018 respectively interim statute bills?
- (3) The Claimant is to serve upon the Defendant the evidence upon which it intends to rely in respect of the preliminary issues by 4pm on 28 May 2019.
- (4) The Defendant is to serve upon the Claimant any evidence in reply by 4pm on 25 June 2019.
- (5) The parties are to serve any skeleton arguments by 4pm on Tuesday 3 September 2019.
- (6) The Claimant is to file an agreed bundle, including any skeleton arguments, by 4pm on Wednesday 4 September 2019.
- (7) Any person providing a witness statement is to be ready to be cross examined upon its contents at the hearing unless the parties have agreed beforehand that such attendance is not required.
- (8) The costs of this application are reserved.

The court office at the Senior Courts Costs Office, Thomas More Building, Strand, London WC2A 2LL is open between 10 am and 4.30 pm Monday to Friday. Address all communications to the Court Manager quoting the SCCO reference number

ORDER In the High Court of Justice
Senior Courts Costs Office
Master Rowley

Parties London Block Exchange Limited
-and-
Squire Paton Boggs UK LLP



On 9 April 2019 before Master Rowley sitting in Court 100 at The Royal Courts of Justice,
Strand, London

UPON THE APPLICATION of the Claimant

AND UPON HEARING the costs lawyer for the Claimant and the legal executive for the
Defendant

IT IS ORDERED that:

- (1) The directions hearing is adjourned to 10.30am on 30 April 2019
- (2) The costs of this application are reserved

The court office at the Senior Courts Costs Office, Thomas More Building, Strand, London WC2A 2LL is open between 10 am and 4.30 pm
Monday to Friday. Address all communications to the Court Manager quoting the SCCO reference number

Respondent
B.Dives
First
Exhibits BD/1-BD/2
9.04.2019

IN THE HIGH COURT OF JUSTICE

Case no: CR2019-001-356

BUSINESS AND PROPERTY COURTS OF ENGLAND AND WALES

INSOLVENCY AND COMPANIES LIST

SQUIRE PATTON BOGGS UK LLP (Solicitors)

Applicant

-and-

LONDON BLOCK EXCHNAGE LTD

Respondent

STATEMENT OF BENJAMIN DIVES

1. I am the Director of the Respondent I am authorised by the Respondent to provide this Witness Statement. The facts and matters in this First Witness Statement are within my own knowledge save where I have indicated otherwise. Where I have indicated that matters are not within my own knowledge, I have indicated the sources of my information and belief.

2. The Respondent is a limited company that is a payments services institution. It holds client money for individuals and business who wish to transact on the Internet. It employs 10 people and I am the only Director of the Respondent. The Respondent Company is registered with the Financial Conduct Authority and has suffered reputational damage as a result of the Applicant's advertisement of the Winding Up in the Gazette. The Respondent's turnover per year is approximately £500,000.

3. In the Petition, the Applicant wishes to wind up the Respondent on the basis of 2 interim request for payments. The Applicant is a Firm of Solicitors and is governed by the rules on solicitors bills as per the 1974 Solicitors' Act. These rules are in place to protect consumers of solicitors' services. It is the Respondent's case that the Applicant has not adhered to those rules and has not issued nor delivered its Final Bill of Costs under Statute.

4. The Applicant has not issued a money claim but has instead issued the Winding Up proceedings. As a result, the Respondent has exercised its right and issued an Application at the Senior Courts Costs Office for the delivery of the Solicitors Final Bill of Costs and thereafter for the assessment of the solicitors' fees by a Costs Master. That issued Application was served on the Applicant and additionally filed with the High Court in these proceedings on 4th April 2019. Prior to that date, the Respondent requested a Final Bill of Solicitors Costs from the Applicant, but the Applicant has not provided one to date and the Respondent has had no choice but to make its Application to the Senior Courts Costs Office. A copy of the Respondent's Application is enclosed herewith as **Exhibit BD/1** together with the Applicant's advertisement in the Gazette.

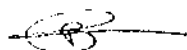
5. The Respondent apologises for the late filing of this Witness Statement but a telephone hearing took place today at 12:30pm, at short notice, and in light of the listing of the Winding Up Petition, at the Senior Courts Costs in front of Master Rowley. As **Exhibit BD/2** I enclose a Draft Order that followed, prepared by my costs lawyer and sent to the Applicant for its agreement. The Respondent has also requested the Senior Courts Costs Office to adjudicate on the issue as to whether there has ever been a Retainer between the Applicant and the Respondent. It is the Respondent's position that no Letter of Engagement has been signed by a Director of the Respondent. It is the Respondent's position that there was no Retainer between the Applicant and the Respondent.

6. The 2-interim request for payment forming the basis of the Applicant's Petition are disputed and are considered to have been incorrectly issued. They do not contain the necessary information that would enable the Respondent to seek professional advice as to whether the charges applied are correct and proportionate. In their current format they do not give rise to solicitors' fees. Nevertheless, the Respondent's investor has placed £13,000 with the Applicant.

7. The Respondent respectfully requests that the Petition be dismissed.

STATEMENT OF TRUTH

I believe that facts stated in this Witness Statement are true.



Benjamin Dives

9th April 2019

Respondent
B.Davies
First
Exhibits BD/1-BD/2
9.04.2019

IN THE HIGH COURT OF JUSTICE

Case no: CR2019-001-356

BUSINESS AND PROPERTY COURTS OF ENGLAND AND WALES

INSOLVENCY AND COMPANIES LIST

SQUIRE PATTON BOGGS UK LLP (Solicitors)

Applicant

-and-

LONDON BLOCK EXCHANGE LTD

Respondent

EXHIBIT BD/1

TO

WITNESS STATEMENT OF
BENJAMIN DAVIES

SCHEDULE OF COSTS PRECEDENTS
PRECEDENT J



IN THE HIGH COURT OF JUSTICE

Claim No

SENIOR COURTS COSTS OFFICE

IN THE MATTER OF Squire Patton Boggs UK LLP (Solicitors)

Claimant: LONDON BLOCK EXCHANGE LTD

Defendant: SQUIRE PATTON BOGGS UK LLP (SOLICITORS)

SEAL

CLAIM FORM (CPR Part 8)

Details of claim (see also overleaf)

The following Orders are applied for:

- (1) An Order for a Hearing to be fixed to determine whether any terms of a retainer exist between parties.
- (2) An Order in standard form for the delivery of Bill of Costs in all cases and matters, if any such a retainer exists between parties in which the Defendant has acted for the Claimant.
- (3) An Order that the Winding up Petition issued and advertised by the Defendant be stayed and or be dismissed pending the outcome of these proceedings.
- (4) An order dealing with the costs of this application

Defendant's name and address:

Squire Patton Boggs UK LLP (Solicitors)
Rutland House, 148 Edmund Street
Birmingham B3 2JR

£ 55

Court fee
Solicitor's Cost
Issue date

The court office at the Senior Courts Costs Office is open between 10.00 am and 4.30 pm, Monday to Friday, when corresponding with the court, please address forms or letters to the Court Manager and quote the claim number.

Claim No.

Details of claim (continued)

The Defendant has issued and rendered 2 invoices in the total sum of if £9,900 as follows:

(1) Invoice number 2622803, Date: 29th March 2018, amount of £2,700 said to be for professional services provided in respect of financial regulation.

(2) Invoice number: 2624225, dated 25th April 2018, amount: £7,700 said to be for professional services provided in respect of a listing fee agreement.

No detail has been provided as to how these invoices have been calculated and they do not comply with section 69 of the 1974 Solicitors Act and do not constitute a Final Solicitors' Bill under the 1974 Solicitors Act. A Final Solicitors' Bill under the Act has been requested from the Defendant for all monies, but it has not been issued and the Defendant has not confirmed that it is willing to issue it despite requests. It appears that the Claimant now requests further solicitors' fees.

The Defendant has made an application to wind up the Claimant on the basis of unpaid invoices for its solicitors' fees. The Defendant has advertised the Winding up Petition in the Gazette and the Hearing is listed on 11th April 2019 in the High Court of Justice under case number CR-2019-001356.

There is doubt as to whether there has ever been and continues a proper and complete retainer between parties.

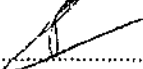
Statement of Truth

*(~~Believe~~) (The Claimant believes) that the facts stated in these particulars of claim are true.

*I am duly authorised by the Claimant to sign this statement.

Full name Raf Deinczuk, W LEGAL Ltd.....

Name of Claimant's solicitor's firm W LEGAL Ltd

Signed  position or office held ...Member, W Legal Ltd.....

*(~~Claimant~~) (~~Litigation friend~~) (Claimant's solicitor) (if signing on behalf of firm or company)

*delete as appropriate

Claimant's or claimant's solicitor's address to which documents should be sent if different from overleaf. If you are prepared to accept service by DX, fax or e-mail, please add details.

Ref. RD
W LEGAL Ltd
47 Red Lion Street
London, WC1R 4PF

SQUIRE
PATTON BOGGS

Squire Patton Boggs (UK) LLP
 6 Wellington Place
 Leeds
 LS1 4AP
 DX No 321801 Leeds 18

T +44 113 284 7000
 F +44 113 284 7001

London Block Exchange Ltd
 Kemp House
 160 City Road
 London
 EC1V 2NX

29 March 2018

Our Ref:	Matter Number:	Your Ref:	Bill No:
PA2/PA2	LON.333-0001	Marcin Nawrocki	2622803
Financial Regulation	VAT	Disbursements	Fees
To our charges for professional services in the above matter	GBP	GBP	GBP
	450.00		2,250.00
With Our Compliments	Total		
	450.00		2,250.00
THIS BILL IS DUE FOR PAYMENT WITHIN 14 DAYS OF ISSUE			
Complaint You may object to this bill by way of our complaints procedure (described in our Global Engagement Letter to you), by making a complaint to the Legal Ombudsman, if you have exhausted our internal procedures (and within 6 months of the final letter from us in respect of your complaint) or by applying for taxation or assessment (see below). Taxation or Assessment You may be entitled to have our charges reviewed by the court (this is called taxation or 'assessment'). The procedure is set out in sections 70, 71 and 72 of the Solicitors Act 1974. You should note that the Legal Ombudsman may not consider a complaint about a bill if you have applied to the court for assessment of that bill. Interest We may charge interest on unpaid bills and we will do so at the agreed rate set out in our terms of business (or failing agreement the rate on judgement debts) from either the date when the bill becomes due for payment or from one month after delivery of our bill (whichever is the earliest).			
Add Disbursements			0.00
Add 20% VAT			450.00
Total			2,700.00
Less Receipts			0.00
Amount Due			2,700.00

Squire Patton Boggs is the trade name of Squire Patton Boggs (UK) LLP, a Limited Liability Partnership registered in England and Wales with number OC 335584 authorised and regulated by the Solicitors Regulation Authority. A list of the members and their professional qualifications is open to inspection at 7 Devonshire Square, London, EC2M 4YH. The status 'Partner' denotes either a member or an employee or consultant who has equivalent standing and qualifications.

Squire Patton Boggs (UK) LLP is part of the international legal practice Squire Patton Boggs, which operates worldwide through a number of separate legal entities.

Please visit squirepattonboggs.com for more information.



SQUIRE
PATTON BOGGS

Squire Patton Boggs (UK) LLP
7 Devonshire Square
London
EC2M 4YH
DX No 138546 Bishopsgate 2

T +44 (0)20 7655 1000
F +44 (0)20 7655 1001

London Block Exchange Ltd
Kemp House
160 City Road
London
EC1V 2NX

25 April 2018

Our Ref:	Matter Number:	Your Ref:	Bill No:
SXT1/AJW4	LON.333-0002	Dean White	2624225
	VAT	Disbursements	Fees
	GBP	GBP	GBP
Listing Fee Agreement			
To our charges for professional services in the above matter	1,200.00		6,000.00
With Our Compliments			
Total	1,200.00		6,000.00
THIS BILL IS DUE FOR PAYMENT WITHIN 14 DAYS OF ISSUE			
Complaint You may object to this bill by way of our complaints procedure (described in our Global Engagement Letter to you); by making a complaint to the Legal Ombudsman; or by applying for taxation or assessment (see below). Taxation or Assessment You may be entitled to have our charges assessed by the court (this is called 'taxation' or 'assessment'). The procedure is set out in sections 76, 71 and 72 of the Solicitors Act 1974. You should note that the Legal Ombudsman may not consider a complaint about a bill if you have applied to the court for assessment of that bill. Interest We may charge interest on unpaid bills and we will do so at the agreed rate set out in our terms of business (or failing agreement this rate on judgement debt) from either the date when the bill becomes due for payment or from one month after delivery of our bill whichever is the earliest.			
Add Disbursements			0.00
Add 20% VAT			1,200.00
Total			7,200.00
Less Receipts			0.00
Amount Due			7,200.00
For Direct GBP Payment please send to: Bank: Lloyds Bank Plc Sort Code: 30-00-05 Account Number: 00200399 IBAN: GB92LOYD30000500200399 SWIFT: LOYDGB21007 For cheque payments please send to: Squire Patton Boggs (UK) LLP PO Box 574 Leeds LS3 1ZH Registered for VAT GB747 1831 20			

Squire Patton Boggs (UK) LLP

Squire Patton Boggs is the trade name of Squire Patton Boggs (UK) LLP, a Limited Liability Partnership registered in England and Wales with number OC 335564 authorised and regulated by the Solicitors Regulation Authority. A list of the members and their professional qualifications is open to inspection at 7 Devonshire Square, London, EC2M 4YH. The status 'Partner' denotes either a member or an employee or consultant who has equivalent standing and qualifications.

Squire Patton Boggs (UK) LLP is part of the international legal practice Squire Patton Boggs, which operates worldwide through a number of separate legal entities.

Please visit squirepattonboggs.com for more information.

Lexcel
Legal Services Quality Mark
Law Society Accredited

INVESTORS
IN PEOPLE



Winding-Up Petition

Rule 7.5
COMP 1

For Court use

Case No: CR-2019-001356
Hearing Date: 10 Apr 2019 10:30
In the Rolls
Building

Delete/complete as necessary:
(a) High Court, London (a) IN THE HIGH COURT OF JUSTICE
BUSINESS AND PROPERTY COURTS OF ENGLAND AND WALES
INSOLVENCY AND COMPANIES LIST (ChD)
(b) High Court B&PCs DR (b) ~~IN THE HIGH COURT OF JUSTICE~~
~~BUSINESS AND PROPERTY COURTS IN {location}~~
~~INSOLVENCY AND COMPANIES LIST (ChD)}~~
(c) Non-B&PCs DR (c) ~~IN THE HIGH COURT OF JUSTICE~~
~~CHANCERY DIVISION~~
(d) County Court (d) ~~{location} DISTRICT REGISTRY~~
~~IN THE COUNTY COURT AT {location}~~

Insert name of company subject to the petition

IN THE MATTER OF LONDON BLOCK EXCHANGE LTD
AND IN THE MATTER OF THE INSOLVENCY ACT 1986

(a) Insert title of court or hearing centre as applicable

THE COURT:

(a) To the High Court of Justice
Business and Property Courts of England and Wales
Insolvency and Companies List (ChD)

(b) Insert full name(s) and address(es) of petitioner(s)

THE PETITIONER:

(b) The petition of Squire Patton Boggs (UK) LLP of 7 Devonshire Square, Cutlers Gardens, London, EC2M 4YH (the "Petitioner")
shows as follows:

(c) Insert full name and registered no. (if any) and/or other required identification details of company subject to the petition (see also rule 1.6 of the Insolvency (England and Wales) Rules 2016 (IR 2016))
(d) Insert address of registered office or other address as required (see also rule 1.6 of the IR 2016)
(e) Insert date of incorporation and the enactment (as applicable); delete where necessary
(f) Enter the total

THE COMPANY:

(c) This petition relates to London Block Exchange Ltd (hereinafter called "the Company").
The registered number of the Company is 10966096
[or other identification details]

(d) The registered office of the company is at Kemp House, 160 City Road, London, United Kingdom, EC1V 2NX

(e) The Company was incorporated on 15 September 2017 under the Companies Act 2006

(f) The total number of issued shares of the Company is 1000

number of shares and the manner in which they are divided up. See also para 11.2(5) of the Practice Direction on Insolvency Proceedings (PDIP). Modify if Company limited by guarantee.
 (g) Enter the aggregate value of the shares (see the PDIP above)
 (h) Enter amount of capital paid up or credited as such (see PDIP above)
 (i) Insert the nature of the Company's business (if known); see also para 11.2(6) of the PDIP
 (j) Set out the grounds on which a winding-up order is sought

Which are divided up as follows: 1000 shares of £0.01 each.

(g) The aggregate nominal value of those shares is £10

(h) The amount of the capital paid up or credited as paid up is £10

(i) The principal nature of the Company's business is as follows: multi-cryptocurrency exchange

THE GROUNDS & JURISDICTION:

(j) The grounds on which the winding-up order is sought are:

The Company is duly indebted to the petitioner in the sum of £9,900.00 plus total interest currently standing at £640.90 (the "Debt").

The Debt comprises amounts arising from two invoices (together with interest payable thereon):-

1. Invoice number 2622803, dated 29 March 2018 in the sum of £2,700 (plus interest standing at £186.41). This is in connection with professional services provided in respect of financial regulation.

2. Invoice number 2624225 dated 25 April 2018 in the sum of £7,200 (plus interest standing at £454.49). This is in connection with professional services provided in respect of a listing fee agreement.

Demands for payment have been made but the invoices remain outstanding.

On 14 February 2019, a final demand for payment was sent by the Petitioner to the Company by post and email requiring payment of the Debt due by close of business on Friday 15 February 2019 (annexed to this petition at Annex A). Receipt of this final demand was acknowledged but the debt remains unpaid. The petitioner therefore reasonably believes that the Company is unable to pay its debts as they fall due.

(k) Where the ground is section 122(1)(a) of the Insolvency Act 1986 (IA 1986) (Delete if not applicable)
 (l) Where the ground is sections 122(1)(f) or 221(5)(b) of the IA 1986 (Delete if not applicable)
 If more than 4 months have elapsed,

~~{(k) The Company has by special resolution dated [date] resolved that the company be wound up by the court.}~~

~~{(l) A statutory demand was served on the company on [date] and the Company is insolvent and unable to pay its debts.}~~

~~{More than 4 months have elapsed between the service of the statutory demand and the presentation of this petition; the reasons for such delay are set out in the witness statement.}~~

this must be explained

statement of {name}
filed in support hereof.}

{m} Delete as applicable

{m} The Company ~~is~~ is not an undertaking within Article 1.2 of the EU Regulation on Insolvency Proceedings.

{n} Insert name of witness

{n} For the reasons stated in the witness statement of Russell Hill filed in support hereof, it is considered that:

Delete as applicable.

- the EU Regulation on Insolvency Proceedings will/will not apply and
- these proceedings will be main/secondary or territorial proceedings as defined in the EU Regulation on Insolvency Proceedings.

{o} See rule 7.5(1) of the IR 2016

{o} In the circumstances it is just and equitable that the company should be wound up.

{p} Delete as applicable

THE ORDER SOUGHT:

{p} The petitioner therefore applies for an order that:-

- (1) the Company may be wound up by the court under the Insolvency Act 1986;
- (2) that the petitioner's costs be paid from the assets of the Company; or
- (3) such other order may be made as the court thinks just.

{q} If the company is the petitioner, delete "the company". Add the full name and address of any other person on whom it is intended to serve this petition

ADDRESSES:

{q} It is intended to serve this petition on:

- (1) the Company
- (2) ~~the Company~~

{r} Delete as applicable

{r} The full contact details of the petitioner's solicitor is:

Name: Squire Patton Boggs (UK) LLP

Rutland House, 148 Edmund Street, Birmingham, B3 2JR

Tel.: 01212223132

Email: Russell.hill@squirepb.com

Reference: RH13

This is the address that the court will use for all communications to the Petitioner until notified otherwise in writing

Insert name and address of the court (and if necessary the district registry) in which the petition is issued

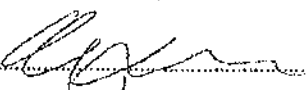
The Court's address is: The High Court of Justice, Rolls Building, 7 Rolls Buildings, Fetter Lane, London, EC4A 1NL

{or...}

Delete as applicable and insert the relevant details as necessary. Where signing on behalf of a body see also rule 1.5(3) of the IR 2016. (The petition may be authenticated in a separate witness statement: see rule 7.6 of the IR 2016)

STATEMENT OF TRUTH

~~I, the Petitioner, believe~~ The Petitioner believes that the facts stated in this petition are true.

Signed: 

Dated: 21/2/19

I, the above signed, not being a petitioner herein, state as follows:

My name is Russell Hill

My postal address is Rutland House, 148 Edmund Street, Birmingham, B3 2JR

The capacity in which and authority by which I have authenticated the statement are as solicitor for the petitioner.

The means of my knowledge of the matters so verified are provided to me as solicitor for the petitioner

For court use

(Where the petition is issued by e-filing, the endorsement will normally be on the front of the petition, beneath the seal)

Endorsement by the Court

This petition was issued by the court on
and will be heard at:

Place

Date

Time

(or as soon thereafter as the petition can be heard)

ANNEX A

SQUIRE
PATTON BOGGS

14 February 2019

By post and email: Benjamin@londonblockexchange.com

London Block Exchange Ltd
Kemp House,
160 City Road,
London,
United Kingdom,
EC1V 2NX

Squire Patton Boggs (UK) LLP
Rutland House
148 Edmund Street
Birmingham
B3 2JR
United Kingdom
DX 708610 Birmingham 17

O +44 121 222 3000
F +44 121 222 3001
squirepattonboggs.com

Russ Hill
T +44 121 222 3132
MF +44 070 458 2943
russell.hill@squirepb.com

Dear Sirs,

Final demand for payment of outstanding debts

Our records indicate that you owe Squire Patton Boggs (UK) LLP £9,900 plus interest of £623.54. This amounts to a total of £10,523.54 (the "Debt").

The Debt comprises amounts arising from the following two invoices (together with interest payable thereon):-

- Invoice number: 2622803 Date: 29 March 2018 Amount: £2,700 (plus interest standing at £181.68). This is in connection with professional services provided in respect of financial regulation.
- Invoice number: 2624225 Date: 25 April 2018 Amount: £7,700 (plus interest standing at £441.86). This is in connection with professional services provided in respect of a listing fee agreement.

Interest continues to accrue at a daily rate of £2.17.

The Debt is overdue and payable immediately.

We hereby demand immediate payment of the Debt in full without further delay and in cleared funds to Lloyds Bank Plc, Sort Code: 30-00-05. Account number: 00200399. Please quote the reference RH13/LON.333-0001

If we have not received payment of the Debt by 5pm on 15 February 2019, we reserve the right to take such further action as we see fit, without further recourse to you, which may include the presentation of the attached draft winding up petition.

We trust that this will not be necessary and look forward to receiving payment by return.

47 Offices in 20 Countries

Squire Patton Boggs is the trade name of Squire Patton Boggs (UK) LLP, a limited liability partnership registered in England and Wales with number OC 355504 authorised and regulated by the Solicitors Regulation Authority. A list of the members and their professional qualifications is open to inspection at 7 Devonshire Square, London, EC2M 4YH. The status 'partner' denotes either a member or an employee or consultant who has equivalent standing and qualifications.

Squire Patton Boggs (UK) LLP is part of the International legal practice Squire Patton Boggs, which operates worldwide through a number of separate legal entities.

Please visit squirepattonboggs.com for more information.

Lexcel
Legal Practice Quality Standard
Law Society Accredited



INVESTORS
IN PEOPLE

SQUIRE
PATTON BOGGS

Squire Patton Boggs (UK) LLP

London Stock Exchange Ltd
13 February 2018

Yours faithfully

Squire Patton Boggs
Squire Patton Boggs (UK) LLP

Winding-Up Petition

Rule 7.5
COMP 1

For Court use

Case No:

Delete/ complete as necessary: (a) High Court, London	(a)	IN THE HIGH COURT OF JUSTICE BUSINESS AND PROPERTY COURTS OF ENGLAND AND WALES INSOLVENCY AND COMPANIES LIST (CHD)
(b) High Court B&PCs DR	(b)	~~IN THE HIGH COURT OF JUSTICE~~ ~~BUSINESS AND PROPERTY COURTS IN [location]~~ ~~INSOLVENCY AND COMPANIES LIST (CHD)~~
(c) Non- B&PCs DR	(c)	IN THE HIGH COURT OF JUSTICE CHANCERY DIVISION
(d) County Court	(d)	[location] DISTRICT REGISTRY ~~IN THE COUNTY COURT AT [location]~~

Insert name of
company subject to
the petition

IN THE MATTER OF LONDON BLOCK EXCHANGE LTD
AND IN THE MATTER OF THE INSOLVENCY ACT 1986

(a) Insert title of
court or hearing
centre as applicable

THE COURT:
(a) To the High Court of Justice
Business and Property Courts of England and Wales
Insolvency and Companies List

(b) Insert full name(s)
and address(es) of
petitioner(s)

THE PETITIONER:
(b) The petition of Squire Patton Boggs (UK) LLP of 7 Devonshire Square, Cutlers Gardens,
London, EC2M 4YH (the "Petitioner")
shows as follows:

(c) Insert full name
and registered no. (if
any) and/or other
required

identification details
of company subject
to the petition (see
also rule 1.6 of the
Insolvency (England
and Wales) Rules
2016 (IR 2016))

(d) Insert address of
registered office or
other address as
required (see also
rule 1.6 of the IR
2016)

(e) Insert date of
incorporation and the
enactment (as
applicable); delete
where necessary
(f) Enter the total

THE COMPANY:
(c) This petition relates to London Block Exchange Ltd
(hereinafter called "the Company").
The registered number of the Company is 10966096
(or other identification details)

(d) The registered office of the company is at Kemp House, 360 City Road, London,
United Kingdom, EC1V 2NX

(e) The Company was incorporated on 15 September 2017
under the Companies Act 2006

(f) The total number of issued shares of the Company is 1000

number of shares and the manner in which they are divided up. See also para 11.2(5) of the Practice Direction on Insolvency Proceedings (PDIP). Modify If Company limited by guarantee.
 (g) Enter the aggregate value of the shares (see the PDIP above)
 (h) Enter amount of capital paid up or credited as such (see PDIP above)
 (i) Insert the nature of the Company's business (if known); see also para 11.2(6) of the PDIP
 (j) Set out the grounds on which a winding-up order is sought

Which are divided up as follows: 1000 shares of £0.01 each.

(g) The aggregate nominal value of those shares is £10

(h) The amount of the capital paid up or credited as paid up is £10

(i) The principal nature of the Company's business is as follows: multi-cryptocurrency exchange

THE GROUNDS & JURISDICTION:

(j) The grounds on which the winding-up order is sought are:
 The Company is duly indebted to the petitioner in the sum of £9,900.00 plus total interest currently standing at £623.24 (the "Debt").

The Debt comprises amounts arising from two invoices (together with interest payable thereon):-

- Invoice number: 2622803 Date: 29 March 2018 Amount: £2,700 (plus interest standing at £181.68). This is in connection with professional services provided in respect of financial regulation.
- Invoice number: 2624225 Date: 25 April 2018 Amount: £7,760 (plus interest standing at £441.86). This is in connection with professional services provided in respect of a listing fee agreement.

Demands for payment have been made and the invoices remain outstanding.

On 14 February 2019 a final demand for payment was sent to the Company by post and email requiring payment of the Debt due by close of business on Friday 15 February 2019 (annexed to this petition at Annex A). Payment was not made within this timeframe. The petitioner therefore reasonably believes that the Company is unable to pay its debts as they fall due.

(k) Where the ground is section 122(1)(a) of the Insolvency Act 1986 (IA 1986) (Delete if not applicable)
 (l) Where the ground is sections 122(1)(f) or 22(45)(b) of the IA 1986 (Delete if not applicable)
 If more than 4 months have elapsed, this must be explained

((k)) The Company has by special resolution dated {date} resolved that the company be wound up by the court.

((l)) A statutory demand was served on the company on {date} and the Company is insolvent and unable to pay its debts.

{More than 4 months have elapsed between the service of the statutory demand and the presentation of this petition; the reasons for such delay are set out in the witness statement of {name} filed in support hereof.}

(m) Delete as applicable

(m) The Company is/is not an undertaking within Article 1.2 of the EU Regulation on Insolvency Proceedings.

(n) Insert name of witness

(n) For the reasons stated in the witness statement of Russell Hill filed in support hereof, it is considered that:

Delete as applicable.

- the EU Regulation on Insolvency Proceedings will ~~will not~~ apply and
- these proceedings will be main/secondary or territorial proceedings as defined in the EU Regulation on Insolvency Proceedings.

(o) See rule 7.5(1)(c) of the IR 2016

(o) In the circumstances it is just and equitable that the company should be wound up.

(p) Delete as applicable

THE ORDER SOUGHT:

(p) The petitioner therefore applies for an order that:

- (1) the Company may be wound up by the court under the Insolvency Act 1986;
- (2) that the petitioner's costs be paid from the assets of the Company; or
- (3) such other order may be made as the court thinks just.

(q) If the company is the petitioner, delete "the company". Add the full name and address of any other person on whom it is intended to serve this petition
(r) Delete as applicable

ADDRESSES:

(q) It is intended to serve this petition on:

- (1) the Company
- (2) ~~the Company~~

(r) The full contact details of the petitioner's solicitor is:

Name: Squire Patton Boggs (UK) LLP

Tel: 0121 222 3132

Email: Russell.hill@squirepb.com

Reference:

The Court's address is: The High Court of Justice, Rolls Building, 7 Rolls Buildings, Fetter Lane, London, EC4A 3DF

(or ~~the~~)

This is the address that the court will use for all communications to the Petitioner until notified otherwise in writing
insert name and address of the court (and if necessary the district registry) in which the petition is issued

Delete as applicable and insert the relevant details as necessary.
Where signing on behalf of a body see also rule 1.5(3) of the IR 2016.
(The petition may be authenticated in a separate witness statement: see rule 2.6 of the IR 2016)

STATEMENT OF TRUTH

I, the Petitioner, believe/The Petitioner believes that the facts stated in this petition are true.

Signed:

Dated:

I, the above-signed, not being a petitioner herein, state as follows:

My name is Russell Hill

My postal address is Rutland House, 148 Edmund Street, Birmingham, B3 2JR

The capacity in which and authority by which I have authenticated the statement are as solicitor for the petitioner.

The means of my knowledge of the matters so verified are provided to me as solicitor for

the petitioner

For court use

(Where the petition is issued by e-filing, the endorsement will normally be on the front of the petition, beneath the seal)

Endorsement by the Court

This petition was issued by the court on
and will be heard at:

Place

Date

Time

(or as soon thereafter as the petition can be heard)

THE COURT OF APPEALS
IN AND FOR THE DISTRICT OF COLUMBIA
DOES hereby order that the petition be granted.
IT IS SO ORDERED.

IN THE HIGH COURT OF JUSTICE
BUSINESS AND PROPERTY COURTS
INSOLVENCY AND COMPANIES LIST (ChD)

Petitioner
Russell Hill

1

Exhibit(s): RH1

Date: 21/2/2019

Court Reference No. of 2019

IN THE MATTER OF LONDON BLOCK EXCHANGE LTD
AND IN THE MATTER OF THE INSOLVENCY ACT 1986

BETWEEN

SQUIRE PATTON BOGGS (UK) LLP Applicant/Petitioner

and

LONDON BLOCK EXCHANGE LTD Respondent/Company

FIRST WITNESS STATEMENT OF RUSSELL HILL

I, RUSSELL HILL, a solicitor of Squire Patton Boggs (UK) LLP, Rutland House, 148 Edmund Street, Birmingham, B3 2JH will say as follows:

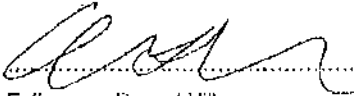
1. I am duly authorised by the Petitioner to verify the statements in the petition marked RH1. The statements in the Petition are made from my own knowledge except where otherwise indicated, in which case I have explained the source of my information or belief.
2. I have been concerned in the matters giving rise to the Petition and have the requisite knowledge of the matters referred to in the Petition because I am the Petitioner's solicitor and have been involved in the preparation of the Petition.
3. The statements in the Petition are true to the best of my knowledge, information and belief.
4. The Company is London Block Exchange Ltd (Company number: 10966096) with its registered office at Kemp House, 160 City Road, London, United Kingdom, EC1V 2NX.

5. The petition is to be presented in the High Court of Justice, Business and Property Courts.

6. I consider the Company's centre of main interest is at Kemp House, 160 City Road, London, United Kingdom, EC1V 2NX. Accordingly, the EU Regulation on Insolvency Proceedings will apply and these proceedings will be main proceedings.

Statement of Truth

I believe that the facts stated in this Witness Statement are true.



Full name: Russel Hill

Dated

21/2/19.

On behalf of: Petitioner
Made by: Russell Hill
First statement
Exhibit: "RH1"
Made on: February 2019
Filed on: February 2019

CASE NO of 2019

IN THE HIGH COURT OF JUSTICE
BUSINESS AND PROPERTY COURTS OF ENGLAND AND WALES
INSOLVENCY AND COMPANIES LIST (ChD)

IN THE MATTER OF LONDON BLOCK EXCHANGE LTD
AND

IN THE MATTER OF THE INSOLVENCY ACT 1986

BETWEEN

SQUIRE PATTON BOGGS (UK) LLP

Petitioner

and

LONDON BLOCK EXCHANGE LTD

Respondent

EXHIBIT RH1

This is the exhibit marked RH1 referred to in the statement of Russell Hill made
on 21 February 2019.

Winding-Up Petition

Rule 7.5
COMP.1

For Court use

Case No:

Delete/ complete as necessary: (a) High Court, London	(a)	IN THE HIGH COURT OF JUSTICE BUSINESS AND PROPERTY COURTS OF ENGLAND AND WALES INSOLVENCY AND COMPANIES LIST (ChD)
(b) High Court B&PCs DR	(b)	~~IN THE HIGH COURT OF JUSTICE BUSINESS AND PROPERTY COURTS IN {location} INSOLVENCY AND COMPANIES LIST (ChD)}~~
(c) Non- B&PCs DR	(c)	~~IN THE HIGH COURT OF JUSTICE CHANCERY DIVISION~~
(d) County Court	(d)	~~{location} DISTRICT REGISTRY IN THE COUNTY COURT AT {location}~~

Insert name of
company subject to
the petition

IN THE MATTER OF LONDON BLOCK EXCHANGE LTD
AND IN THE MATTER OF THE INSOLVENCY ACT 1986

(a) Insert title of
court or hearing
centre as applicable

THE COURT:
(a) To the High Court of Justice
Business and Property Courts of England and Wales
Insolvency and Companies List (ChD)

(b) Insert full name(s)
and address(es) of
petitioner(s)

THE PETITIONER:
(b) The petition of Squire Patton Boggs (UK) LLP of 7 Devonshire Square, Cutlers Gardens,
London, EC2M 4YH (the "Petitioner")
shows as follows:

(c) Insert full name
and registered no. (if
any) and/or other
required
identification details
of company subject
to the petition (see
also rule 1.6 of the
Insolvency (England
and Wales) Rules
2016 (IR 2016))

THE COMPANY:
(c) This petition relates to London Block Exchange Ltd
(hereinafter called "the Company").
The registered number of the Company is 10966096
(or other identification details)

(d) Insert address of
registered office or
other address as
required (see also
rule 1.6 of the IR
2016)

(d) The registered office of the company is at Kemp House, 160 City Road, London,
United Kingdom, EC1V 2NX

(e) Insert date of
incorporation and the
enactment (as
applicable); delete
where necessary

(e) The Company was incorporated on 15 September 2017
under the Companies Act 2006

(f) Enter the total

(f) The total number of issued shares of the Company is 1000

number of shares and the manner in which they are divided up. See also para 11.2(5) of the Practice Direction on Insolvency Proceedings (PDIP). Modify if Company limited by guarantee.
 (g) Enter the aggregate value of the shares (see the PDIP above)
 (h) Enter amount of capital paid up or credited as such (see PDIP above)
 (i) Insert the nature of the Company's business (if known); see also para 11.2(6) of the PDIP
 (j) Set out the grounds on which a winding-up order is sought

Which are divided up as follows: 1000 shares of £0.01 each.

(g) The aggregate nominal value of those shares is £10

(h) The amount of the capital paid up or credited as paid up is £10

(i) The principal nature of the Company's business is as follows: multi-cryptocurrency exchange

THE GROUNDS & JURISDICTION:

(j) The grounds on which the winding-up order is sought are:

The Company is duly indebted to the petitioner in the sum of £9,900.00 plus total interest currently standing at £640.90 (the "Debt").

The Debt comprises amounts arising from two invoices (together with interest payable thereon):-

1. Invoice number 2672803, dated 29 March 2018 in the sum of £2,700 (plus interest standing at £186.41). This is in connection with professional services provided in respect of financial regulation.

2. Invoice number 2624225 dated 25 April 2018 in the sum of £7,200 (plus interest standing at £454.49). This is in connection with professional services provided in respect of a listing fee agreement.

Demands for payment have been made but the invoices remain outstanding.

On 14 February 2019, a final demand for payment was sent by the Petitioner to the Company by post and email requiring payment of the Debt due by close of business on Friday 15 February 2019 (annexed to this petition at Annex A). Receipt of this final demand was acknowledged but the debt remains unpaid. The petitioner therefore reasonably believes that the Company is unable to pay its debts as they fall due.

(k) Where the ground is section 122(1)(a) of the Insolvency Act 1986 (IA 1986) (Delete if not applicable)
 (l) Where the ground is sections 122(1)(f) or 221(5)(b) of the IA 1986 (Delete if not applicable)
 If more than 4 months have elapsed,

~~[(k) The Company has by special resolution dated {date} resolved that the company be wound up by the court.]~~

~~[(l) A statutory demand was served on the company on {date} and the Company is insolvent and unable to pay its debts.]~~

~~[More than 4 months have elapsed between the service of the statutory demand and the presentation of this petition; the reasons for such delay are set out in the witness statement.]~~

this must be explained ~~statement of {name}~~
~~filed in support hereof.~~

(n) Delete as applicable (m) The Company ~~is~~ is not an undertaking within Article 1.2 of the EU Regulation on Insolvency Proceedings.

(n) Insert name of witness (n) For the reasons stated in the witness statement of Russell Hill filed in support hereof, it is considered that:

Delete as applicable.

- the EU Regulation on Insolvency Proceedings ~~will~~ will not apply and
- these proceedings ~~will~~ be main/~~secondary or territorial~~ proceedings as defined in the EU Regulation on Insolvency Proceedings.

(c) See rule 7.5(1)(c) of the IR 2016 (c) In the circumstances it is just and equitable that the company should be wound up.

(p) Delete as applicable THE ORDER SOUGHT:
 (p) The petitioner therefore applies for an order that:-

(1) the Company may be wound up by the court under the Insolvency Act 1986;

(2) that the petitioner's costs be paid from the assets of the Company; or

(3) such other order may be made as the court thinks just.

(q) If the company is the petitioner, delete "the company". Add the full name and address of any other person on whom it is intended to serve this petition (q) It is intended to serve this petition on:

(r) Delete as applicable (1) the Company
 (2) ~~{...}~~

(r) The full contact details of the petitioner's solicitor is:

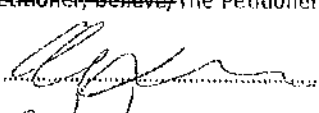
Name: Squire Patton Boggs (UK) LLP
 Rutland House, 148 Edmund Street, Birmingham, B3 2JR
 Tel.: 01212223132
 Email: Russell.hill@squirepb.com
 Reference: RH13

This is the address that the court will use for all communications to the Petitioner until notified otherwise in writing

Insert name and address of the court (and if necessary the district registry) in which the petition is issued The Court's address is: The High Court of Justice, Rolls Building, 7 Rolls Buildings, Fetter Lane, London, EC4A 3NL
~~{...}~~

Delete as applicable and insert the relevant details as necessary. Where signing on behalf of a body see also rule 1.5(3) of the IR 2016. (The petition may be authenticated in a separate witness statement: see rule 7.6 of the IR 2016)

STATEMENT OF TRUTH
 I, ~~the Petitioner, believe,~~ The Petitioner believes that the facts stated in this petition are true.

Signed: 

Dated: 21/2/19

I, the above-signed, not being a petitioner herein, state as follows:

My name is Russell Hill

My postal address is Rutland House, 148 Edmund Street, Birmingham, B3 2JR

The capacity in which and authority by which I have authenticated the statement are as solicitor for the petitioner.

The means of my knowledge of the matters so verified are provided to me as solicitor for the petitioner

For court use

(Where the petition is issued by e-filing, the endorsement will normally be on the front of the petition, beneath the seal)

Endorsement by the Court

This petition was issued by the court on
and will be heard at:

Place

Date

Time

(or as soon thereafter as the petition can be heard)

ANNEX A

SQUIRE
PATTON BOGGS

14 February 2019

By post and email: Benjamin@londonblockexchange.com

London Block Exchange Ltd
Kemp House,
160 City Road,
London,
United Kingdom,
EC1V 2NX

Squire Patton Boggs (UK) LLP
Rutland House
148 Edmund Street
Birmingham
B3 2JH
United Kingdom
DX 708610 Birmingham 17

O +44 121 222 3000
F +44 121 222 3001
squirepattonboggs.com

Russ Hill
T +44 121 222 3132
OF +44 070 458 2943
russell.hill@equitylab.com

Dear Sirs,

Final demand for payment of outstanding debts

Our records indicate that you owe Squire Patton Boggs (UK) LLP £9,900 plus interest of £623.54. This amounts to a total of £10,523.54 (the "Debt").

The Debt comprises amounts arising from the following two invoices (together with interest payable thereon):-

- Invoice number: 2622803 Date: 29 March 2018 Amount: £2,700 (plus interest standing at £181.66). This is in connection with professional services provided in respect of financial regulation.
- Invoice number: 2624225 Date: 25 April 2018 Amount: £7,700 (plus interest standing at £441.88). This is in connection with professional services provided in respect of a listing fee agreement.

Interest continues to accrue at a daily rate of £2.17.

The Debt is overdue and payable immediately.

We hereby demand immediate payment of the Debt in full without further delay and in cleared funds to Lloyds Bank Plc, Sort Code: 30-00-05. Account number: 00200399. Please quote the reference RH13/LON.333-0001

If we have not received payment of the Debt by 5pm on 15 February 2019, we reserve the right to take such further action as we see fit, without further recourse to you, which may include the presentation of the attached draft winding up petition.

We trust that this will not be necessary and look forward to receiving payment by return.

47 Offices in 20 Countries

Squire Patton Boggs is the trade name of Squire Patton Boggs (UK) LLP, a Limited Liability Partnership registered in England and Wales with number OC 315584 authorised and regulated by the Solicitors Regulation Authority. A list of the members and their professional qualifications is open to inspection at 7 Devonshire Square, London, EC2M 4YH. The status "partner" denotes either a member or an employee or consultant who has equivalent standing and qualifications.

Squire Patton Boggs (UK) LLP is part of the international legal practice Squire Patton Boggs, which operates worldwide through a number of separate legal entities.

Please visit squirepattonboggs.com for more information

Lexcel
Legal Practice Quality Award
Law Society Accredited

INVESTORS
IN PEOPLE

SQUIRE
PATTON BOGGS

Squire Patton Boggs (UK) LLP

London Block Exchange Ltd
13 February 2019

Yours faithfully

Squire Patton Boggs
Squire Patton Boggs (UK) LLP

Winding-Up Petition

Rule 7.5
COMP 1.

For Court use

Case No:

Delete/ complete as necessary: (a) High Court, London	(a)	IN THE HIGH COURT OF JUSTICE BUSINESS AND PROPERTY COURTS OF ENGLAND AND WALES INSOLVENCY AND COMPANIES LIST (CHD)
(b) High Court B&PCs DR	(b)	~~IN THE HIGH COURT OF JUSTICE~~ BUSINESS AND PROPERTY COURTS IN {location} INSOLVENCY AND COMPANIES LIST (CHD)
(c) Non- B&PCs DR	(c)	~~IN THE HIGH COURT OF JUSTICE~~ CHANCERY DIVISION
(d) County Court	(d)	{location} DISTRICT REGISTRY ~~IN THE COUNTY COURT AT {location}~~

Insert name of
company subject to
the petition

IN THE MATTER OF LONDON BLOCK EXCHANGE LTD
AND IN THE MATTER OF THE INSOLVENCY ACT 1986

(a) Insert title of
court or hearing
centre as applicable

THE COURT:

(a) To the High Court of Justice
Business and Property Courts of England and Wales
Insolvency and Companies List

(b) Insert full name(s)
and address(es) of
petitioner(s)

THE PETITIONER:

(b) The petition of Squire Patton Boggs (UK) LLP of 7 Devonshire Square, Cutlers Gardens,
London, EC2M 4YH (the "Petitioner")
shows as follows:

(c) Insert full name
and registered no. (if
any) and/or other
required

THE COMPANY:

(c) This petition relates to London Block Exchange Ltd
(hereinafter called "the Company").
The registered number of the Company is 10966096
{or other identification details}

Identification details
of company subject
to the petition (see
also rule 1.6 of the
Insolvency (England
and Wales) Rules
2016 (IR 2016))

(d) Insert address of
registered office or
other address as
required (see also
rule 1.6 of the IR
2016)

(d) The registered office of the company is at Kemp House, 160 City Road, London,
United Kingdom, EC1V 2NX

(e) Insert date of
incorporation and the
enactment (as
applicable); delete
where necessary

(e) The Company was incorporated on 15 September 2017
under the Companies Act 2006

(f) Enter the total

(f) The total number of issued shares of the Company is 1000

number of shares and the manner in which they are divided up. See also para 11.2(5) of the Practice Direction on Insolvency Proceedings (PDIP). Modify if Company limited by guarantee.
 (g) Enter the aggregate value of the shares (see the PDIP above)
 (h) Enter amount of capital paid up or credited as such (see PDIP above)
 (i) Insert the nature of the Company's business (if known); see also para 11.2(6) of the PDIP
 (j) Set out the grounds on which a winding-up order is sought

Which are divided up as follows: 1000 shares of £0.01 each.

(g) The aggregate nominal value of those shares is £10

(h) The amount of the capital paid up or credited as paid up is £10

(i) The principal nature of the Company's business is as follows: multi-cryptocurrency exchange

THE GROUNDS & JURISDICTION:

(j) The grounds on which the winding-up order is sought are:

The Company is duly indebted to the petitioner in the sum of £9,900.00 plus total interest currently standing at £623.24 (the "Debt").

The Debt comprises amounts arising from two invoices (together with interest payable thereon):-

- Invoice number: 2622803 Date: 29 March 2018 Amount: £2,700 (plus interest standing at £181.68). This is in connection with professional services provided in respect of financial regulation.

- Invoice number: 2624225 Date: 25 April 2018 Amount: £7,700 (plus interest standing at £441.86). This is in connection with professional services provided in respect of a listing fee agreement.

Demands for payment have been made and the invoices remain outstanding.

On 14 February 2019 a final demand for payment was sent to the Company by post and email requiring payment of the Debt due by close of business on Friday 15 February 2019 (annexed to this petition at Annex A). Payment was not made within this timeframe. The petitioner therefore reasonably believes that the Company is unable to pay its debts as they fall due.

(k) Where the ground is section 122(1)(a) of the Insolvency Act 1986 (IA 1986) (Delete if not applicable)
 (l) Where the ground is sections 122(1)(f) or 221(5)(b) of the IA 1986 (Delete if not applicable)
 If more than 6 months have elapsed, this must be explained

~~((k) The Company has by special resolution dated [date] resolved that the company be wound up by the court.]~~

~~((l) A statutory demand was served on the company on [date] and the Company is insolvent and unable to pay its debts.~~

[More than 6 months have elapsed between the service of the statutory demand and the presentation of this petition; the reasons for such delay are set out in the witness statement of [name] filed in support hereof.]

(m) Delete as applicable

(m) The Company is/is not an undertaking within Article 1.2 of the EU Regulation on Insolvency Proceedings.

(n) Insert name of witness

(n) For the reasons stated in the witness statement of Russell Hill filed in support hereof, it is considered that:

Delete as applicable.

- the EU Regulation on Insolvency Proceedings will/~~will not~~ apply and
- these proceedings will be main/~~secondary or territorial~~ proceedings as defined in the EU Regulation on Insolvency Proceedings.

(o) See rule 7.5(1)(e) of the IR 2016

(o) In the circumstances it is just and equitable that the company should be wound up.

(p) Delete as applicable

THE ORDER SOUGHT:

(p) The petitioner therefore applies for an order that:

- (1) the Company may be wound up by the court under the Insolvency Act 1986;
- (2) that the petitioner's costs be paid from the assets of the Company; or
- (3) such other order may be made as the court thinks just.

(q) If the company is the petitioner, delete "the company". Add the full name and address of any other person on whom it is intended to serve this petition

ADDRESSES:

(q) It is intended to serve this petition on:

- (1) the Company
- (2) ~~(...)~~

(r) Delete as applicable

(r) The full contact details of the petitioner's solicitor is:

Name: Squire Patton Boggs (UK) LLP

Tel.: 01212223132

Email: Russell.hill@squirepb.com

Reference:

The Court's address is: The High Court of Justice, Rolls Building, 7 Rolls Buildings, Fetter Lane, London, EC4A 1NL

~~(...)~~

This is the address that the court will use for all communications to the Petitioner until notified otherwise in writing
Insert name and address of the court (and if necessary the district registry) in which the petition is issued

Delete as applicable and insert the relevant details as necessary.
Where signing on behalf of a body see also rule 1.5(3) of the IR 2016.
(The petition may be authenticated in a separate witness statement: see rule 7.6 of the IR 2016)

STATEMENT OF TRUTH

~~I, the Petitioner, believe~~ The Petitioner believes that the facts stated in this petition are true.

Signed:

Dated:

I, the above-signed, not being a petitioner herein, state as follows:

My name is Russell Hill

My postal address is Rutland House, 148 Edmund Street, Birmingham, B3 2JR

The capacity in which and authority by which I have authenticated the statement are as solicitor for the petitioner.

The means of my knowledge of the matters so verified are provided to me as solicitor for

the petitioner

For court use

(Where the petition
is issued by e-filing,
the endorsement will
normally be on the
front of the petition,
beneath the seal)

Endorsement by the Court

This petition was issued by the court on
and will be heard at:

Place

Date

Time

(or as soon thereafter as the petition can be heard)

London Block Exchange Ltd
Kemp House
160 City Road
London
EC1V 2NX

25 April 2018

REMITTANCE ADVICE

Our Ref:	Matter Number:	Your Ref:	Bill No:
SXT1/AJW4	LON.333-0002	Dean White	2624225
	VAT	Disbursements	Fees
	GBP	GBP	GBP
Listing Fee Agreement			
To our charges for professional services in the above matter	1,200.00		6,000.00
With Our Compliments	Total	1,200.00	6,000.00
THIS BILL IS DUE FOR PAYMENT WITHIN 14 DAYS OF ISSUE			
Complaint You may object to this bill by way of our complaints procedure (described in our Client Engagement Letter to you), by making a complaint to the Legal Ombudsman. If you have exhausted our internal procedures (and WOLN is notified of the final letter from us in respect of your complaint), or by applying for litigation or assessment (see below). Litigation or Assessment You may be entitled to have our charges reviewed by the court (this is called 'litigation' or 'assessment'). The procedure is set out in sections 70, 71 and 72 of the Solicitors Act 1974. You should note that the Legal Ombudsman may not consider a complaint about a bill if you have applied to the court for assessment of that bill. Interest We may charge interest on unpaid bills and we will do so at the agreed rate set out in our terms of business (or failing agreement the rate on judgment debts) from the date when the bill becomes due for payment or from one month after delivery of our bill whichever is the earlier.		Add Disbursements	0.00
		Add 20% VAT	1,200.00
		Total	7,200.00
		Less Receipts	0.00
		Amount Due	7,200.00

Squire Patton Boggs is the trade name of Squire Patton Boggs (UK) LLP, a Limited Liability Partnership registered in England and Wales with number OC 335584 authorised and regulated by the Solicitors Regulation Authority. A list of the members and their professional qualifications is open to inspection at 7 Devonshire Square, London, EC2M 4YH. The status 'Partner' denotes either a member or an employee or consultant who has equivalent standing and qualifications.

Squire Patton Boggs (UK) LLP is part of the international legal practice Squire Patton Boggs, which operates worldwide through a number of separate legal entities.

Please visit squirepattonboggs.com for more information.

SCHEDULE OF CHARGES

DATE	HOURS	TIMEKEEPER	NARRATIVE
03/04/2018	0.10	S Tibbells	Reviewing correspondence and agreement.
03/04/2018	0.60	S Tibbells	Reviewing correspondence and agreement, call with A. Wilkinson and considering agreements.
04/04/2018	0.90	S Tibbells	Call to discuss listing fee agreement.
05/04/2018	1.10	S Tibbells	Reviewing documentation, considering agreement and drafting correspondence.
09/04/2018	0.80	S Tibbells	Listing Fee Agreement: drafting correspondence regarding Nano Labs Listing Fee Agreement.
16/04/2018	0.40	S Tibbells	Listing Fee Agreement: reviewing and drafting correspondence regarding Listing Fee Agreement.
16/04/2018	1.20	S Tibbells	Listing Fee Agreement: drafting Listing Agreement.
18/04/2018	0.70	S Tibbells	Currency Listing Agreement: drafting currency listing agreement.
17/04/2018	1.10	S Tibbells	Currency Listing Agreement: drafting currency listing agreement.
17/04/2018	3.10	S Tibbells	Currency Listing Agreement: drafting currency listing agreement.
17/04/2018	1.90	S Tibbells	Currency Listing Agreement: drafting currency listing agreement.
18/04/2018	1.10	S Tibbells	Listing Fee Agreement: drafting listing fee agreement.
18/04/2018	2.40	S Tibbells	Listing Fee Agreement: drafting listing fee agreement and correspondence.
19/04/2018	0.30	S Tibbells	Currency Listing Agt: reviewing and drafting correspondence, including comments to agreement.
20/04/2018	0.50	S Tibbells	Currency Listing Agt: prep for call and call to discuss.
20/04/2018	1.50	S Tibbells	Currency Listing Agt: drafting amends to agt following call.
20/04/2018	3.70	S Tibbells	Currency Listing Agreement: drafting updates to currency listing agreement and correspondence.
TOTAL HOURS			21.40
TOTAL CHARGES			7,276.00

TIME SUMMARY

NAME	HOURLY RATE	HOURS	TOTAL
S Tibbells	340.00	21.40	7,276.00
GRAND TOTAL		21.40	7,276.00

MATTER TOTAL

SUB TOTAL FEES	6,000.00
SUBTOTAL	6,000.00
VAT: 20%	1,200.00
TOTAL AMOUNT DUE FOR THIS MATTER	0,476.00



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Notice details

Type:

Corporate Insolvency
> Petitions to Wind Up (Companies)Earliest publish date:
10 March 2019

Edition:

This London Gazette

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10966096Notice code:
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837003

Petitions to Wind Up (Companies)

In the High Court of Justice

CR-2019-019-001359

In the matter of LONDON BLOCK EXCHANGE LTD

Trading As: LONDON BLOCK EXCHANGE LTD

and to the (Author of the Insolvency Act 1986)

A Petition to wind up the above named company of LONDON BLOCK EXCHANGE LTD (10966096) of Kemp House, 160 City Road, London EC1Y 2NX, whose nature of business is Cryptocurrency Exchange, presented on Monday 25 February 2019, at 12.00 by SCQUIRE PATTON KOGUS (UK) LLP, of 7 Domesday Square, Saffers Bank, London EC2M 4YH claiming to be a Creditor of this Company, will be heard at the High Court of Justice, Rolls Building, Petitioner's Office, London EC4A 3DF on Wednesday 10 April 2019, at 10.30 (or as soon thereafter as the Petition can be heard).

Any person intending to appear on the hearing of the Petition (petition to support or oppose it) must give notice of intention to do so to the Petitioner or to their Solicitor in accordance with Rule 7.14 by 19.00 (before) on Tuesday 25 April 2019.

The Petitioner's Solicitor is Russell FHR, Parsonage House, 148 Edmund Street, Birmingham B3 2EP. Telephone: 0121 222 2132. Email: russell.fhr@sqdgroup.com (Reference number: RH133434.150-0250).

Notice timeline for LONDON BLOCK EXCHANGE LTD (10966096)

Petitions to Wind Up
130032019

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Respondent
B.Davies
First
Exhibits BD/1-BD/2
9.04.2019

IN THE HIGH COURT OF JUSTICE

Case no: CR2019-001-356

BUSINESS AND PROPERTY COURTS OF ENGLAND AND WALES

INSOLVENCY AND COMPANIES LIST

SQUIRE PATTON BOGGS UK LLP (Solicitors)

Applicant

-and-

LONDON BLOCK EXCHNAGE LTD

Respondent

EXHIBIT BD/2

TO

WITNESS STATEMENT OF
BENJAMIN DAVIES

From: raf.demczuk@wlegal.co.uk
Date: Tuesday, 9 April 2019 at 15:37
To: "Hill, Russell" <russell.hill@squirepb.com>, "Proctor, Andrew" <andrew.proctor@squirepb.com>
Cc: "pwhiteis@aol.com" <pwhiteis@aol.com>, Damian Falkowski <damian.falkowski@39essex.com>, Nigel Kushner <nigel.kushner@wlegal.co.uk>
Subject: Draft Order in JR 1902065, London Block Exchange-v-Squire Patton Boggs (UK) LLP

Dear Sirs

Claim no: JR 1902065
London Block Exchange-v-Squire Patton Boggs (UK) LLP

Further to today's Telephone Hearing, please confirm if you are agreeable to the attached Draft Order so we may file it with the Court.

Kind regards,

Raf Demczuk
W Legal Limited
www.wlegal.co.uk
Office: +44 (0) 207 220 9130
Fax: +44 (0) 20 7112 4833
Regulated by the Solicitors Regulation Authority
Registered Address: 47 Red Lion Street, London, WC1R 4PF
Registered Company Number: 06649868

**IN THE HIGH COURT OF JUSTICE
SENIOR COURT COSTS OFFICE**

CLAIM NO: JR 1902065

COSTS JUDGE ROWLEY

BETWEEN:

LONDON BLOCK EXCHANGE LTD

Claimant

- and -

SQUIRE PATTON BOGGS (UK) LLP (Solicitors)

Defendant

**SKELTON ARGUMENT OF THE CLAIMANT
FOR HEARING BEFORE MASTER ROWLEY
TUESDAY 30TH APRIL 2019 at 10:30AM**

1. Introduction:

This Skeleton Argument is prepared on behalf of the Claimant ("C") to assist the Court. C is a financial institution, regulated by the Financial Conduct Authority. C is legally represented in relation to 2 matters arising out of the apparent solicitor-client relationship with the Defendant ("D") that is a firm of solicitors.

- a) D has applied to wind up the Claimant, absent a Judgment/Order/Claim on the basis of 2 interim requests for payment for apparent solicitors' services. Its application is being defended at the High Court of Justice, case no: CR-2019-001356 and continues despite no determination at the SCCO. On 9th April, C attempted to agree directions in order to incorporate them into the Winding Up Petition proceedings so same time table applies. The Winding Up is reliant on the validity of the bills that C disputes. D did not agree to that and on 10th April the Winding Up Judge was addressed on the issue on solicitors bills rather than the matter first being determined by SCCO.
- b) C, having requested a Final Bill and been refused one, had no choice but to issue an Application for the delivery of the Final Bill.
- c) D has not filed any reply thereto but has written a letter to C's solicitors' *senior partner* with WPSAC points therein hence it is not admissible as inter partes correspondence. That letter has not been filed with the Court. No Witness Statement nor a proper reply was ever made served or filed by D in these proceedings.

Background:

2. This hearing is unnecessary and takes places further to a telephone hearing of 9th April 2019 only because the D did not:
 - 2.1 Agree Draft Directions as per 9th April hearing after C e-mailed them immediately after the hearing
 - 2.2 Reply to C's correspondence for 14 days
 - 2.3 Agree draft directions and still does not agree
 - 2.4 Attempt to agree Directions
 - 2.5 Attempt to narrow the scope of the hearing
 - 2.6 Explain the position on £13,000 deposited in its account by C's investor

Key issues:

3. **Retainer:** There is no signed LoE between parties. D states that it has conducted solicitors' work for C and that D was a solicitor for C. C's position is that D was approached via an external contractor not an employee and not a Director for work useful to that contractor as a friend to a friend. A friend of that contractor who worked as a solicitor for D. D sent invoices to that contractor who in 2019 asserted that the responsibility for payment was on C. Periods of the claimed retainer are unknown as it is the end point of the alleged retainer.
4. **Particulars of fees sought.** These have not been particularized, hourly rates are not agreed, Terms and Conditions have not been signed or explained, it is unknown which solicitor has had conduct of this matter.
5. **£13,000 placed with D.** C's investor worried about the Winding Up and placed £13,000 with D. D's interim request for payments amount to £10,523.54 and its Winding Up petition is for that amount. C is at utter loss as to what D is claiming money for and how much.
6. **Winding Up,** although D considers itself to be or have been a solicitor for C, it did not issue a claim against D but proceeded to Wind it Up. The Wining Up is based on the invoices that needed to be assessed by SCCO, the Winding Up process is not equipped to do so and submissions on technicalities of Solicitors bill were made at the Winding Up hearing on 10th April 2019. This is a waste of court's time and Winding Up, that was not ordered on 10th April needed to have its timetable incorporated in conjunction with the SCCO.

Chronology

12.03.18 External contractor of C states to C that he needs a law firm for his own work
13.03.18 that contractor speaks to D via a friend who works at D but signs no LoE and nothing for C
20.03.18 Contractor has contact with D but not for C
21.03.18 Contractor receives his own LoE for him but does not sign
05.06.18 D starts asking contractor for money
26.10.18 Contractor receives invoices, no explanation or breakdown
08.01.19 C's contractor confirms to D that he is not responsible for their invoices
10.01.19 Mr Hill of D writes to introduce himself to contractor of C
15.01.19 C's contractor confirms that he is external and not C
27.01.18 D starts asking C for more money
28.02.19 D's application to Wind Up C
12.03.18 C's Investor sends D £13,000 to close the matter, but D continues on
26.03.19 C's solicitors request Final Bill and Certificate of Service of Final Bill
27.03.19 C's 2nd request for Final Bill
27.03.19 D's email asking what a Final Bill is
27.03.19 C's warning of an SCCO Application
27.03.19 D asking what SCCO proceedings are, and for "*statutory provisions*" for SCCO claim
27.03.19 C's further request for a Final Bill
04.04.19 C issued and served SCCO Application
04.09.19 SCCO Application filed in Winding Up proceedings and re-served
08.04.19 C's Application for a telephone hearing at SCCO before the Winding up Petition
08.04.19 D opposes the SCCO tel. hearing before Winding up
08.04.19 D states it will adjourn Winding Up and no need for SCCO hearing on 09.04.19
09.04.19 D it does not adjourn Winding Up
09.04.19 Telephone hearing before Master Rowley, SCCO
09.04.19 Draft SCCO Directions e-mailed to D immediately but no reply
09.04.19 C's Draft Directions filed with WS in the Winding Up petition
10.04.19 Winding Up hearing at HCL, Directions given absent SCCO matter
15.04.19 Absent Agreed Directions, SCCO Order sent to parties listing the matter on 30.04.19
25.04.19 E-mail from D opposing Draft Directions of 09.04.19 asking for Order and issued Application
26.04.19 D calls SCCO makes unilateral arrangements for tel. hearing
26.04.19 C's letter to D setting out the position on Draft Directions of 9th April 2019
29.04.19 D comments for an online press release about C "*debt it is owed*"
29.04.19 D refuses to clarify the position of £13,000 paid thereto by C's Investor

7. Hearing on 9th April 2019

In accordance with the comment made by Master Rowley on 9th April 2019, the Claimant submitted to the Defendant immediately following the hearing, by e-mail, a draft form of Order for Directions as follows:

- (1) The Defendant must within 28 days deliver to the Claimant, or to his solicitor, a bill of costs in respect of invoices number 2622803 dated 29th March 2018 and invoice number 2624225 dated 25th April 2018.
- (2) The Defendant must give credit in that bill for all money received by him from or on account of the bills mentioned in Item (1).
- (3) The Claimant to serve Points of Dispute within 28 days of the date of the Bills of Costs of the Defendant to include any issues in relation to the Retainer.
- (4) The Defendant to serve any Replies within 28 days of service upon the of Points of Dispute.

(5) Either party to apply for a Detailed Assessment hearing within 3 months of the date of service of Replies.

8. The Defendant failed to respond to the proposed directions until just two days before the hearing fixed for 30th April 2019. There followed a series of lengthy exchanges between the parties with the Defendant failing to deal in any way with the issue of directions.
9. The matter has been drawn out totally unnecessarily in to issues that were either irrelevant or matters to be dealt with in the assessment.
10. The Claimant seeks an order as above with costs incurred between the parties arising out of the attached correspondence and hearing today to be payable by the Defendant to be assessed if not agreed.

PAUL WHITE
COSTS LAWYER FOR THE CLAIMANT

DATED: 30th April 2019

**IN THE HIGH COURT OF JUSTICE
SENIOR COURT COSTS OFFICE
COSTS JUDGE ROWLEY**

CLAIM NO: JR 1902065

BETWEEN:

LONDON BLOCK EXCHANGE LTD

Claimant

- and -

SQUIRE PATTON BOGGS (UK) LLP

Defendant

**CLAIMANT'S SUBMISSIONS ON THE PRELIMINARY ISSUES
PURSUANT TO ORDER OF MASTER ROWLEY DATED 30th APRIL 2019**

In accordance with the comment made by Master Rowley on 30th April 2019 and the Order of same date, the Claimant sets out details of the preliminary issues as follows:

A. Was there a Retainer between the Claimant and Defendant:

There is no signed Letter of Engagement between the parties. The Defendant states that it has conducted work for the Claimant and that Defendant was a solicitor for the Claimant. The Claimant's position is that the Defendant was approached via an external contractor Mr Marcin Nawrocki not an employee and not a Director for work useful to that contractor as a friend to a friend. The Claimant admits that Marcin Nawrocki from time to time utilized an email address with the domain of the Claimant but was never an employee, nor a Director and was never authorized by the Claimant to contractually bind it. Claimant's details are available on Companies House and a firm of solicitors would have had access to its very short list of Directors and the Articles of Association that are on the Companies House online. A friend of that contractor, a solicitor asserted that responsibility for the Defendant. The Defendant sent invoices to that contractor who with a delay i.e. in 2019 asserted that the responsibility for payment was on the Claimant. The Defendant uncritically followed that suggestion. There was and has never been any signed nor agreed Retainer between the Claimant and Defendant. The Claimant has not expressly agreed to the Defendant's Terms and Conditions. Moreover, the Claimant is simply unable to ascertain what work has been done and at what cost. The Defendant refused to provide it with its Final Solicitors' Bill and applied to the High Court to Wind the Claimant Up on the basis of the Defendants' invoices.

The Claimant is a money exchange business and was under the impression that should they need to engage a Firm of Solicitors, a face to face meeting would have been necessary for Know Your Customer/ Anti Money Laundering purposes and there was no such a meeting.

The Defendant has acted adversely and unambiguously towards the Claimant and the Claimant did not find that consistent with actions of a firm of solicitors acting for a client. The Defendant has made a negative press comment on its Winding Up action and enclosed an enlarged A4 size photo page of a passport of the Claimant's Director with a Witness Statement thereby compromising that Director's personal data. The Defendant has implied that it is a "friend" of the Claimant and gave otiose insolvency advice out of the remit of its purported retainer.

The Claimant rejects an argument that if an email with an attachment is sent but it is not signed nor explained, then a solicitors' firm becomes instructed by a client.

B. Are the invoices numbered 2622803 and 2624225 dated 29th March 2018 and 25th April 2018 respectively interim statute bills:

On the face of each invoice it merely gives the matter headings and the one-line narrative '*To our professional services in the above matter.*' The two invoices do not state that they are interim or final statute bills. They do not show the periods in which they cover. The invoices do not provide details of any instructions for the work done nor do they provide sufficient, if any, narrative to identify as to the work undertaken to enable advice to be taken as to their reasonableness.

The invoices/bills issued by the Defendant were never signed by the Claimant and neither was the covering letter attaching them.

C. Parallel proceedings

The Defendant has refused to give priority to the SCCO proceedings that the Claimant suggested are prioritized before the contested Winding Up proceedings. The Claimant is solvent, and the Defendant has applied to Wind the Claimant up before the SCCO determination of the above issues A-B. The Claimant continues to be solvent. Parallel proceedings in the same High Court of Justice continue unnecessarily. The Defendant has never issued any money claim nor sent a Letter of Claim to the Claimant.

D. Evidence

The Claimant intends to rely upon the entirety of evidence served thus far in all, inclusive of the Parallel proceedings concerning the above A-B issues in question.

Paul White
Costs Draftsman for the Claimant
DATED: 28th MAY 2019

Application notice

For help in completing this form please read the notes for guidance form N244Notes.

Find out how HM Courts and Tribunals Service uses personal information you give them when you fill in a form: <https://www.gov.uk/government/organisations/hm-courts-and-tribunals-service/about/personal-information-charter>

Name of court High Court of Justice		Claim no. CR-2019-00-1356
Fee account no. (if applicable)	Help with Fees – Ref. (if applicable)	
	H W F	
Warrant no. (if applicable)		
Claimant's name (including ref.) Squire Patton Boggs LLP		CR-2019-001356
Defendant's name (including ref.) London Block Exchange Ltd		Hearing Date: 31 Jan 2020 14:00 to be considered at the existing hearing
Date	23rd January 2020	

1. What is your name or, if you are a legal representative, the name of your firm?

Dragon Payments Ltd (formally London Block Exchange Ltd)

2. Are you a ☐ Claimant ☒ Defendant ☐ Legal Representative

☐ Other (please specify)

If you are a legal representative whom do you represent?

3. What order are you asking the court to make and why?

An Order adjourning the final Winding Up hearing of 31st January 2019 after the Claim at the Senior Courts Costs Office has concluded. The Company asks for 28 days. There are currently 2 sets of almost parallel proceedings at the High Court in assessing a similar case of the solicitor's costs.

4. Have you attached a draft of the order you are applying for? ☒ Yes ☐ No

5. How do you want to have this application dealt with? ☐ at a hearing ☒ without a hearing
☐ at a telephone hearing

6. How long do you think the hearing will last? Hours Minutes

Is this time estimate agreed by all parties? ☐ Yes ☒ No

7. Give details of any fixed trial date or period

8. What level of Judge does your hearing need?

9. Who should be served with this application?

9a. Please give the service address, (other than details of the claimant or defendant) of any party named in question 9.

10. What information will you be relying on, in support of your application?

- ☒ the attached witness statement
- ☐ the statement of case
- ☐ the evidence set out in the box below

If necessary, please continue on a separate sheet.

On 22nd January 2020, the Petitioner informed the Company that the final hearing would be listed on Friday 31st January at 2pm. Today, the Petitioner forwarded the Company a Notice of Listing dated today and listing the matter on that date. The Company sought consent to the adjournment but the Petitioner has not agreed and the Company has no choice but to make this application. The Order of 2nd August 2019 of Deputy ICC Judge Schaffer lists the matter with a time estimate of 2 hours and 1 hour of Judicial reading but the current listing is for 2pm on a Friday so there is a risk that the matter may not conclude.

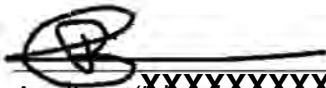
On 6th September 2019, Master Rowley made an Order in the proceedings, at the Senior Courts Costs Office ("SCCO"). These proceedings will soon conclude with an Order. The Petitioner is a firm of solicitors that has brought the Petition on the issue of solicitor's fees. The Company has applied to the Master at SCCO for adjudication. The Company believes that the Order from Master Rowley will greatly assist the Court and resolve the position between the Petitioner and the Company in respect of the Petitioner's solicitor's fees.

The Company has no objection to the matter being discussed directly between the two respective Courts within the High Court i.e. the SCCO and the Companies Court (Chd), the Insolvency and Companies List Office.

Statement of Truth

XXXXX (I believe) (The applicant believes) that the facts stated in this section (and any continuation sheets) are true. XXXXXXXXXXXXXXXXXXXX

Signed



Dated 23rd January 2020

Applicant(s legal representative)(s litigation friend)

Full name

Benjamin Dives

Name of applicant's legal representative's firm

Position or office held Director

(if signing on behalf of firm or company)

11. Signature and address details

Signed



Dated 23rd January 2020

Applicant(s legal representative)(s litigation friend)

Position or office held Director

(if signing on behalf of firm or company)

Applicant's address to which documents about this application should be sent

Kemp House 160 City Road London		If applicable	
Postcode E C 1 V 2 N X		Phone no.	
		Fax no.	
		DX no.	
		Ref no.	
E-mail address			

On behalf of: Petitioner
Made by: Russell Hill
Fourth statement
Made on: 27 January 2020
Exhibits: RH4

CLAIM NO: CR-2019-001356

IN THE HIGH COURT OF JUSTICE
BUSINESS AND PROPERTY COURTS OF ENGLAND AND WALES
COMPANIES COURT (ChD)

IN THE MATTER OF LONDON BLOCK EXCHANGE LTD
AND IN THE MATTER OF THE INSOLVENCY ACT 1986
AND IN THE MATTER OF THE INSOLVENCY (ENGLAND AND WALES)
RULES 2016
BETWEEN:

SQUIRE PATTON BOGGS (UK) LLP

Petitioner

and

LONDON BLOCK EXCHANGE LTD (NOW
KNOWN AS DRAGON PAYMENTS
LIMITED)

Respondent

FOURTH WITNESS STATEMENT
OF RUSSELL HILL

I, **RUSSELL HILL** of Squire Patton Boggs (UK) LLP, solicitor, of Rutland House,
148 Edmund Street, Birmingham, B3 2JR will say:

Introduction

- 1 I am a partner in the Petitioner firm in the proceedings and I make this statement to assist the Court in respect of the application for an adjournment made by the Respondent on 23 January 2020.
- 2 I am duly authorised to make this Witness Statement on behalf of the Petitioner.
- 3 All facts and matters contained in this statement are true to the best of my knowledge.
- 4 Unless otherwise stated, the contents of this statement are based on my own knowledge. Where the matters to which I refer are derived from other sources, I have explained the source of my information and the matters are true to the best of my belief.
- 5 There is now produced and shown to me marked "RH4" a paginated bundle of true copy documents to which I shall refer in this statement. All references to page numbers are to page numbers in RH4.
- 6 The winding up petition to which this matter relates was issued on 25 February 2019 and relates to two unpaid invoices dated 29 March 2018 and 25 April 2018 respectively (the "Invoices").
- 7 After the petition was issued, on 4 April 2019, more than 12 months after the first invoice was created and more than 11 months after the second invoice was created, the Respondent issued a claim in the Senior Court Costs Office ("SCCO") disputing the validity of the Invoices. The application was made despite a significant amount of correspondence from the Respondent agreeing the quantum of the Invoices and making numerous promises to pay the Invoices. Copies of that correspondence appear in the exhibit to my second witness statement dated 1 May 2019.
- 8 The Respondent's application to the SCCO stated that there was a dispute as to whether "*there has ever been and continues a proper and complete retainer between the parties*" and that the Invoices "*did not comply with Section 69 of the 1974 Solicitors Act and do not constitute a Final Solicitors Bill under the 1974 Solicitors Act*". The application was made despite the significant amount of correspondence from the Respondent, acknowledging the retainer between the parties; acknowledging receipt of the engagement letter between the parties; agreeing the quantum of the Invoices and making numerous promises to pay the Invoices. Copies of that correspondence also appear in the exhibit to my second witness statement dated 1 May 2019.
- 9 At the first hearing of the petition on 10 April 2019, the Respondent sought and obtained an adjournment to allow the costs proceedings to be determined.
- 10 The petition was listed again for a non attendance pre trial review on 5 July 2019 and then listed for a further directions hearing together with the adjourned PTR on 2 August 2019.

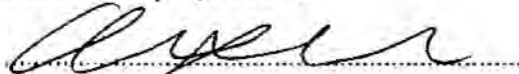
- 11 Prior to the non attendance pre trial review, on the 19 June 2019, the Respondent made a further application for the petition to be adjourned to a date "*after/at end of September 2019*" again, to allow the SCCO proceedings to be determined.
- 12 At the directions hearing for the petition on the 2 August 2019, an order was made for the listing of the final hearing of the petition to the first open date after 1 December 2019.
- 13 At a hearing of the SCCO proceedings on 6 September 2019 Master Rowley concluded unequivocally that there was a retainer between the parties and that the Invoices were interim statute bills. The purported substantive disputes raised by the Respondent therefore failed. Master Rowley made further directions with regard to an assessment of costs and provided for either party to request a hearing after 25 October 2019. A copy of that Order appears at page 1.
- 14 Following the terms of Master Rowley's Order, my firm wrote to the respondent on 16th October 2019, promptly serving our points of dispute and invited the Respondent to request a hearing in accordance with paragraph 6 of the Order. Despite our request, the Respondent failed to request a hearing. A copy of that letter appears at page 2.
- 15 On 29th October 2019 we wrote again to the Respondent seeking confirmation that the Respondent had requested a hearing in their SCCO proceedings. Despite our letter, the Respondent failed to request a hearing. A copy of that letter appears at page 3.
- 16 On 7th November 2019 we wrote again, by way of email from our Andrew Proctor to the Respondent's costs lawyer, Paul White, seeking confirmation that the Respondent was intending to make an application for a hearing and warning specifically that, due to the existence of the winding up proceedings, we were not prepared to let the matter be delayed further. A copy of that email and the response appear at pages 4-6. Despite our letter, the Respondent still failed to request a hearing.
- 17 Finally, on 23rd December 2019, as the Respondent had failed to make an application in the nine weeks since we had served our points of dispute, we made an application for a hearing and paid the relevant Court fee, in order to progress the Respondent's SCCO proceedings. A copy of our letter to the Court appears at pages 7 and 8. It is not clear and has not been explained to us, why the Respondent failed to request the hearing, particularly when it was the Respondent who brought the proceedings and the Respondent who specifically requested the petition be listed "*after/ at the end of September 2019*". We can only conclude that this was simply intended to cause further delay and disruption to the winding up proceedings.
- 18 The Respondent's application in these proceedings now states that "*the [Respondent] has applied to the Master at the SCCO for adjudication*". For the reasons set out above, this is simply incorrect. The Respondent has made no attempt to progress the SCCO proceedings.

- 19 In my second witness statement dated 1 May 2019, I notified the Court that three supporting creditors had filed notices of intention to appear with debts totalling £141,134.94. By the time of the last hearing on 2 August 2019, a further two supporting creditors had also filed notices of intention to appear with debts totalling £515,378.64. As at the date of this statement, a further seven supporting creditors have filed notices of intention to appear with debts totalling £329,578.30. The Petition therefore now has twelve supporting creditors with debts totalling £986,091.88.
- 20 A number of those most recent creditors are former employees of the Respondent who are owed significant sums by the Respondent. Their potential recovery is being frustrated and prejudiced by the Respondent's continued attempts to delay the hearing of the Petition.
- 21 On the basis that the Respondent's challenge to the Petitioning Creditors' invoices has been dealt with by Master Rowley in the SCCO proceedings and on the basis that the Respondent only sought an adjournment of these proceedings until after that determination on 6 September 2019, there is no reason why the winding up proceedings cannot progress. The Respondent has simply used the SCCO proceedings as a delaying tactic and in doing so has caused the total claim of supporting creditors to increase dramatically.
- 22 I note that the Respondent claims to have placed £13,000 with the Petitioning Creditor (although this money did not in fact come from the Respondent and the Petitioning Creditor has instructions not to allocate this money), however, the Respondent has not offered to place any sums with the Petitioning Creditor in respect of its costs of these proceedings, which continue to accrue. Therefore the £13,000 offers little comfort and the Petitioning Creditor simply wishes to proceed to a winding up hearing which is in the best interests of the creditors as a whole.
- 23 The legal advisors previously advising the Respondent have ceased to act in both the SCCO proceedings and in these proceedings. The Respondent is now acting in person with the assistance of Counsel engaged under the Direct Access Scheme.
- 24 On 3 July 2019 the Respondent filed accounts which demonstrates that it is balance sheet insolvent. The significant number of supporting creditors, in number and value, indicates that the Respondent is also cash flow insolvent. In the circumstances, the Respondent is insolvent within the definition of the Insolvency Act 1986 and should be wound up by this Court without any further delay.

I believe that the facts stated in this witness statement are true.

Dated

27/1/2020



RUSSELL HILL

On behalf of: Petitioner
Made by: Russell Hill
Fourth statement
Made on: 27 January 2020
Exhibits: RH4

CLAIM NO CR-2019-001356

IN THE HIGH COURT OF JUSTICE
BUSINESS AND PROPERTY COURTS OF
ENGLAND AND WALES
COMPANIES COURT (ChD)

IN THE MATTER OF LONDON BLOCK
EXCHANGE LTD
AND IN THE MATTER OF INSOLVENCY ACT
1986
AND IN THE MATTER OF THE INSOLVENCY
(ENGLAND AND WALES) RULES 2016
BETWEEN:

SQUIRE PATTON
BOGGS (UK) LLP

Petitioner

and
LONDON BLOCK
EXCHANGE LTD

Respondent

FOURTH WITNESS STATEMENT
OF RUSSELL HILL

Squire Patton Boggs (UK) LLP
Rutland House, 148 Edmund Street,
Birmingham, B3 2JR
Tel: +44 121 222 3000
Fax: +44 121 222 3001
Ref: LON.333-0001

Solicitors for the Petitioner

014-4830-3511/2/EUROPE

On behalf of: Petitioner
Made by: Russell Hill
Fourth statement
Exhibit: "RH4"
Made on: 27 January 2020
Filed on: 27 January 2020

CASE NO CR-2019-001356

IN THE HIGH COURT OF JUSTICE
BUSINESS AND PROPERTY COURTS OF
ENGLAND AND WALES
COMPANIES COURT (ChD)

IN THE MATTER OF LONDON BLOCK EXCHANGE LTD
AND

IN THE MATTER OF THE INSOLVENCY ACT 1986

BETWEEN

SQUIRE PATTON BOGGS (UK) LLP

and

LONDON BLOCK EXCHANGE LTD

Petitioner

Respondent

EXHIBIT RH4

This is the exhibit marked **RH4** referred to in the second statement of Russell Hill made on 27 January 2020



**In the High Court of Justice
Senior Courts Costs Office
Master Rowley**

Case number:
JR 1902065

London Block Exchange Limited	Claimant
-and-	
Squire Patton Boggs UK LLP	Defendant

On 6 September 2019 before Master Rowley sitting in Court 100 at The Royal Courts of Justice, Strand, London

UPON the preliminary issues hearing ordered on 30 April 2019

AND UPON HEARING counsel and the costs lawyer for the Claimant and counsel for the Defendant

IT IS DECLARED that:

- (1) The answers to the preliminary issues are:
 - (a) There was a retainer between the Claimant and the Defendant.
 - (b) The invoices numbered 2622803 and 2624225 are interim statute bills.

BY CONSENT IT IS ORDERED that:

- (2) Master Rowley will carry out a paper assessment of the invoices once the following directions have been complied with.

IT IS ORDERED that:

- (3) By 4pm on 20 September 2019 the Defendant is to serve a breakdown of costs (including a cash account) upon the Claimant.
- (4) By 4pm on 11 October 2019 the Claimant is to serve Points of Dispute upon the Defendant.
- (5) If the Defendant wishes to serve a reply, it is to do so by 4pm on 25 October 2019.
- (6) Either party may file a request for a hearing date in Form N258C together with the appropriate fee after 25 October 2019.
- (7) The Defendant is to lodge its papers with the court either with the N258C or upon notification that the Claimant has filed an N258C. The Defendant may provide its documents to the court in electronic format subject to any requirements of the court.
- (8) Costs reserved.

The court office at the Senior Courts Costs Office, Thomas More Building, Strand, London WC2A 2LL is open between 10 am and 4.30 pm Monday to Friday. Address all communications to the Court Manager quoting the SCCO reference number

①

16 October 2019

By 1st Class Post & e-mail: pwhitelis@aol.com

PA White & Co International Maritime & Commercial Costs
Lawyers
14 Fordyce Close
Hornchurch
Essex
RM11 3LE

Squire Patton Boggs (UK) LLP
6 Wellington Place
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squirepattonboggs.com

Andrew Proctor
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DF +44 870 458 2720
andrew.proctor@squirepb.com

Our ref AP17/HAM.150-0220

Dear Sirs

London Block Exchange Ltd v Squire Patton Boggs (UK) LLP

Further to service of Points of Dispute and the order of 6 September 2019, we enclose Replies to Points of Dispute.

In accordance with paragraph 6 of the order please request a hearing date. Please promptly advise us when you have filed an N258C in order that we can comply with paragraph 7 of the order.

Yours faithfully

Squire Patton Boggs (UK) LLP
Squire Patton Boggs (UK) LLP

44 Offices in 19 Countries

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Please visit squirepattonboggs.com for more information.

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Andrew Proctor
T +44 113 284 7680
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andrew.proctor@squirepb.com

29 October 2019

By 1st Class Post & e-mail: pwhiteis@aol.com

PA White & Co International Maritime & Commercial Costs
Lawyers
14 Fordyche Close
Hornchurch
Essex
RM11 3LE

Our ref AP17/HAM.150-0220

Dear Sirs

London Block Exchange Ltd v Squire Patton Boggs (UK) LLP

Further to our letter of 16 October 2019 can you confirm whether you have requested a hearing date pursuant to paragraph 6 of the order of 6 September 2019? If not, can you confirm your client's intentions in this regard? Is your client going to request a hearing? If so, when does it intend asking for a hearing? If it doesn't intend asking for a hearing, why not, given that this action was brought by your client?

We look forward to hearing from you shortly.

Yours faithfully

Squire Patton Boggs (UK) LLP

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014-4734-3668/1/EUROPE

3

Proctor, Andrew

From: Paul White <pwhiteis@aol.com>
Sent: 08 November 2019 12:31
To: Proctor, Andrew
Subject: [EXT] Re: LBE v SPB [I-EUR.FID9197139]

Dear Andrew,

Please note that I have been reviewing this matter with my clients and will have instructions on how they wish to proceed on Monday.

Regards,

Paul White
Costs Lawyer
Tel: 01708 453730

-----Original Message-----

From: Proctor, Andrew <andrew.proctor@squirepb.com>
To: Paul White <pwhiteis@aol.com>
Sent: Thu, 7 Nov 2019 12:00
Subject: RE: Re: LBE v SPB [I-EUR.FID9197139]

Dear Paul,

Can you now confirm your client's position and instructions?

As discussed, we are not prepared to let this drift, particularly given the other pending proceedings. As confirmed in our call, we will request a hearing (as permitted by the order) if your client is not intending doing so. I simply need to know what stance your client is taking.

Should I not hear back from you by noon tomorrow then I can only assume that your client is not going to ask the Court for a hearing and the Court can draw whatever inference from that. I will then proceed to make arrangements to request the hearing and compile the papers in accordance with para 7 of the 6/9/19 order.

Regards

Andrew

SQUIRE
PATTON BOGGS

Andrew M. Proctor
Director of Costs
Squire Patton Boggs (UK) LLP
6 Wellington Place
Leeds
LS1 4AP
England
T +44 113 284 7680
O +44 113 284 7000
F +44 870 458 2720
M +44 771 230 4919
M Mobex 257680
andrew.proctor@squirepb.com | squirepattonboggs.com



Professional Services Firm of the Year -- Yorkshire

From: Paul White <pwhiteis@aol.com>
Sent: 05 November 2019 13:55
To: Proctor, Andrew <andrew.proctor@squirepb.com>
Subject: [EXT] Re: LBE v SPB [I-EUR.FID9197139]

Dear Andrew,

Thank you for your email with attached copy order as discussed.

I confirm that I am just waiting on instructions to file a request for a hearing date pursuant to para (6) of the order of Master Rowley. It is also noted that either party may file the request in form N258C.

Kind regards,

Paul White
Costs Lawyer
Tel: 01708 453730

-----Original Message-----

From: Proctor, Andrew <andrew.proctor@squirepb.com>
To: Paul White <pwhiteis@aol.com>
Sent: Tue, 5 Nov 2019 13:14
Subject: LBE v SPB [I-EUR.FID9197139]

Dear Paul,

As discussed, copy order attached.

Regards

Andrew

SQUIRE
PATTON BOGGS

Andrew M. Proctor
Director of Costs
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44 Offices in 19 Countries.

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#UK

23 December 2019

Senior Court Costs Office
Thomas More Building
Royal Courts of Justice
Strand
London WC2A 2LL

Squire Patton Boggs (UK) LLP
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andrew.proctor@squirapb.com

Our ref AP17/HAM.150-0220

Your ref JR1902065

Dear Sirs

London Block Exchange Limited v Squire Patton Boggs (UK) LLP

As the Claimant has not filed a request for Detailed Assessment hearing on this matter, we enclose form N.268C together with a cheque for £369.00 and a Statement of Parties.

We refer you to the order of Master Rowley dated 6 September 2019 paragraphs 2,6 and 7 and invite a paper assessment of the invoices.

Also enclosed with this letter is a lever arch file of documents containing the following:

1. The two invoices numbered 2622803 and 2624255 which are the subject of the assessment.
2. The internal time records of Squire Patton Boggs (UK) LLP ("SPB") supporting those invoices.
3. Copy documents extracted from SPB's electronically held file. This particularly consists of copy e-mails. In order to hopefully assist the Court, we have tried not to include duplicates where there has been a chain of e-mails. Instead we have copied the latest e-mail. This reduces the provision of duplicated documents and we hope avoids confusion.
4. Copy Breakdown
5. Points of Dispute
6. Reply to Points of Dispute

There has been significant work done and numerous communications with the Claimant after delivery of the invoices but those documents are not provided. We refer the Court to the

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Please visit squirepattonboggs.com for more information.



014-4795-5704/VEUROPE

7

Squire Patton Boggs (UK) LLP
Senior Court Costs Office
23 December 2019

witness statement of Mr Russell Hill, partner of SPB dated 24 June 2019 for further information.

We look forward to hearing from you and please do contact the writer on the above contact details should you require any further information or assistance with the assessment.

Yours faithfully

Squire Patton Boggs (UK) LLP



Our Ref: PC/DE/D1026/CVL1-L9VM/Stgl

Your Ref:

David Rubin & Partners

Chartered Accountants • Licensed Insolvency Practitioners

Pearl Assurance House
319 Ballards Lane
London N12 8LY

DX 57368 Finchley 1

Telephone: 020 8343 5900
Facsimile: 020 8446 2994
E-Mail: [addressee]@drpartners.com
Website: www.drpartners.com

TO ALL KNOWN CREDITORS

29 January 2020

Dear Sir / Madam

DRAGON PAYMENTS LIMITED (FORMERLY LONDON BLOCK EXCHANGE LIMITED)

Trading Address:

The Director, having regard to the Company's financial position, has decided to take steps to place it into Creditors' Voluntary Liquidation.

This Firm is assisting the Director with this process and I would advise you that it is proposed that Mr Paul Cooper and Mr Paul Appleton, both of this Firm, who is a Licensed Insolvency Practitioners, will be appointed Joint Liquidators following the Resolution to wind-up the Company being passed by the members.

The Directors is also required to seek a Decision of the Company's creditors on the nomination of a Liquidator. Under new Insolvency Rules, a physical meeting of creditors can no longer be convened to consider this nomination, unless the required threshold of creditors requests such a meeting.

A Decision from creditors on the nomination of a Liquidator can now only be sought by the Director via a **Deemed Consent Procedure** or by holding a **Virtual Meeting**. In this case, a Virtual Meeting is being convened for 10:15am on 14 February 2020 (the **Decision Date**). Further details on the arrangements for the Virtual Meeting can be found in the Notice accompanying this letter (see below).

Creditors Decisions

The Decisions to be considered and made by creditors are set out in details in the Decision Notice and for the purpose of the meeting, please find enclosed the following documents:-

- Decision Notice setting out the Decisions to be considered at the Virtual Meeting. This includes the decision on the nomination of a Liquidator and a Decision on whether a Liquidation Committee should be established if sufficient creditors are willing to be members of a Committee.
- A Proof of Debt Form - please complete this form and return it to my office with any supporting documentation. **Creditors will be entitled to vote at the Virtual Meeting only if a proof has been delivered by them to my office before 4pm on the business day before the virtual meeting.**

Cont'd/....2

- A Proxy form – please note that a proxy-holder is not entitled to vote on behalf of a creditor at the virtual meeting unless a proxy form which the creditor intends to be used has been completed and delivered to my office, in accordance with Rule 15.8(1) of the Insolvency (England and Wales) Rules 2016, before the Virtual Meeting.

Statement of Affairs and Report on the Company's Financial Position

The Director is required to deliver to creditors a copy of the Company's Statement of Affairs by no later than on the business day before the Decision Date. They are also required to make available information on the financial affairs of the Company (SIP 6 Director's Report) ahead of the Decision on the nomination of a Liquidator being taken.

These documents will be sent to you separately and in due course.

Please note that David Rubin & Partners and Mr Paul Cooper and Mr Paul Appleton's roles in the period leading up to the creditors' Decision are to assist the Director in taking the necessary steps to place the Company into liquidation and do not involve advising the Directors personally on their own position. It is also possible that a different Insolvency Practitioner may be the eventual Liquidator appointed to the Company.

Proposed Liquidator's Fees and Expenses

As may be noted from the Decision Notice, the Meeting will be called upon to approve the costs of preparing the Statement of Affairs and expenses of the Decision Procedure.

We should also inform you that if a Liquidation Committee is not formed, the meeting of creditors will be asked to vote on a Decision specifying the basis upon which the Joint Liquidators are to be remunerated and how their disbursements are to be recovered. Rule 18.16(4) the Insolvency (England and Wales) Rules 2016 requires that creditors are provided at the outset with an estimate of costs for the work to be undertaken by the Joint Liquidators and, where an hourly rate is proposed, an estimate of the expected time together with details of the expenses likely to be incurred.

Creditors may appreciate that it is an extremely difficult task to provide definitive estimates as the Liquidator would at this point in time, not have had an opportunity to assess the complexities of the case. Until the Joint Liquidators has had an opportunity to take control of the Company's books and records and where applicable conducted enquiries with the Company's key personnel, he would not be aware whether there exist any causes for concern in respect of antecedent transactions, preference payments and wrongful trading which may require further investigation.

Furthermore, until the Joint Liquidators has had an opportunity to examine the quality of the Company's books and records, he would not be in a position to provide creditors with an accurate estimate of the time necessary to realise assets such as book debts which may be disputed. Similarly, the verification and agreeing of creditors' claims where a dividend is envisaged are likely to require the Joint Liquidator to devote a significant amount of time to the case.

In light of the above, the estimate provided at Appendix 2 to this letter is an overall estimate based on a typical insolvency. The estimate assumes that the liquidation will be straightforward; that the Company has maintained proper books and records; that the affairs of the Company have been properly conducted and that there are no outstanding disputes and litigation. However, there is no set time for dealing with a liquidation as it is inevitable that each case has its own set of specific issues. A case without complication may be concluded within a few months whilst a complicated case may take several years to complete. Accordingly, the estimate provided, at best, could only be viewed as a guide, although it is a ceiling that is initially binding on a Liquidator.

The estimate is also intended to be viewed on a total basis and not on the basis of the individual tasks which have been provided as a guide only. It is inevitable that provisions for some tasks will be overestimated whilst others will be underestimated and, therefore, the guide should be taken as a whole.

Paul Cooper and Paul Appleton will lead our team and if appointed as Joint Liquidator, assuming books and records are provided by the Company on a timely manner, the Joint Liquidator intends to complete an initial assessment of the Company's financial affairs and assess whether there could be any matters that may lead to recoveries for the liquidation estate and what further investigations may be appropriate. This assessment will take into account information provided by creditors and a review of the Company's financial records and bank accounts. Therefore, the Joint Liquidators reserves the right to refer back to creditors should he consider that the time cost fees estimate will be exceeded. In such case, the Joint Liquidators will provide creditors with relevant information on the reasons for this and an updated fees estimate if this proves necessary.

To view an explanatory note approved by the Joint Insolvency Committee concerning Liquidators' remuneration, please visit the Publications folder on our website at www.drpartners.com/cases using the following username and password to log in. Alternatively, please contact this office to arrange for a copy to be sent to you.

USERNAME: D1026@drco.co.uk

PASSWORD: 6201Dde*!

Insolvency Code of Ethics and SIPs

I would also draw to your attention that Insolvency Practitioners are bound by the Insolvency Code of Ethics when carrying out all professional work relating to an insolvency appointment. In addition, Office Holders are also required to observe the Best Practice directives which are set out in a series of *Statements of Insolvency Practice*, better known as the SIPs. You will find copies of all the SIPs on R3's website:

<https://www.r3.org.uk/what-we-do/publications/professional/statements-of-insolvency-practice>

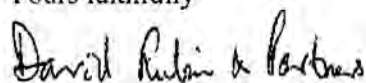
R3 (also known as the Association of Business Recovery Professionals) is the trade body for the UK insolvency profession. You may also wish to visit the following site launched by R3 specifically to guide creditors through the insolvency process: <http://www.creditorinsolvencyguide.co.uk>

Privacy and Data Protection

As part of my role as Joint Liquidator, I would advise you that I may need to access and use data relating to individuals. In doing so, I must abide by data protection regulations. Information about the way that my firm will use, and store personal data in relation to insolvency appointments can be found in the Privacy Notice in the Publication Folder on my Firm's website, details of which are as provided above. If you are unable to download this, please contact my office and a hard copy will be provided to you.

To the extent that you hold any personal data in respect of the Company's employees or other individuals, provided to you by the Company or obtained otherwise by you, you must process such data in accordance with data protection legislation. Please contact Darren Ellis of my office if you believe this applies or you require any further information or wish to discuss any aspect of the Liquidation.

Yours faithfully



DAVID RUBIN & PARTNERS

Encs.

DRAGON PAYMENTS LIMITED (FORMERLY LONDON BLOCK EXCHANGE LIMITED)**PROPOSED LIQUIDATOR'S ESTIMATE OF THE COSTS FOR THE LIQUIDATION**

Paul Cooper and Paul Appleton are the Partners assigned to lead David Rubin & Partners' team for this assignment. These estimates are provided to creditors in accordance with the requirements set out in Rule 18.16(4) of the Insolvency (England and Wales) Rules 2016. It should be noted that a Liquidator's fees and disbursements are paid from realisations of the assets of the Company and where there are insignificant assets, the estimated costs of conducting the liquidation to its conclusion still have to be provided, although it may mean that the Liquidator(s) is not able to recover his costs.

Attached, at Appendix 2, is a list of the minimum tasks that a Liquidator has to carry out generally in respect of all liquidations in order to comply with Statutory Regulations and best practice directives issued by the Joint Insolvency Committee, which all Insolvency Practitioners in the U.K. are bound by and which are monitored by the Liquidator's Regulatory Body. The best practice directives are mostly set out in a series of *Statements of Insolvency Practice*, better known as SIPs and also in the Insolvency Code of Ethics which is detailed at www.icaew.com/membershandbook. You will find copies of all the SIPs on R3's website:

<https://www.r3.org.uk/what-we-do/publications/professional/statements-of-insolvency-practice>

R3 (also known as the Association of Business Recovery Professionals) is the trade body for the UK insolvency profession. You may also like to visit the following site launched by R3 specifically to guide creditors through the insolvency process: <http://www.creditorinsolvencyguide.co.uk>

We have set out against each task the time estimated to be necessary to complete each particular task properly, analysed by different grades of staff. The firm's general approach to resourcing assignments is to allocate staff with the skills and experience to meet the specific requirements of the task and case. The constitution of the case team will usually consist of a Partner, Manager, Senior Administrator and two Administrators. The exact constitution of the case team will depend on the anticipated size and complexity of the assignment and additional staff may be allocated to meet the demands of the case.

Proposed Fee Basis

At the meeting of Creditors, we will be seeking a resolution for my remuneration to be based on time costs. The estimates have been made on the assumption that the liquidation will be concluded within two years and represent the maximum fees that the Liquidators are allowed to charge unless further sanction is obtained from creditors. However, the basis of the Joint Liquidators' fees will be by reference to time properly spent in managing the liquidation by my staff and I. If the actual time taken is less than the estimates, then only the time actually incurred will be billed and drawn.

If I consider that the estimate of £49,385.00 plus VAT is likely to be exceeded and doing so would result in better prospects of recovery for the creditors, we will seek sanction for a revised estimate and explain why I perceive there to be a benefit to the creditors of approving any increase.

My firm's current hourly charge-out rates applicable to this appointment, which are charged in units of 6 minutes exclusive of VAT, are as follows:

	£
Senior / Managing Partners	550
Partners/Office holders	495
Managers / Senior Managers	350 - 395
Senior Administrators	220 - 295
Administrators	160 - 200
Cashiers and Assistants	150 - 295
Support Staff	120 - 150

ESTIMATE OF THE COSTS FOR THE LIQUIDATION – Cont'd

Chargeout rates are normally reviewed annually in November, when rates are adjusted to reflect such matters as inflation, increases in direct wage costs, and changes to indirect costs such as Professional Indemnity Insurance.

Explanations of the Estimates

The majority of the tasks listed in Appendix 2 are self-explanatory and I do not therefore propose to elaborate on these. Creditors who require further details should feel free to contact my office. However, creditors may get a better understanding of the work involved if I list out in broad terms, the various tasks involved.

Administration (including statutory compliance & reporting)

Under insolvency legislation the Liquidator must comply with certain statutory compliance requirements which may not bring any direct financial benefit to the creditors of the Company. Examples of this work include investigations required by Statement of Insolvency Practice 2 and the Company Directors Disqualification Act 1986 or dealing with the claims of former employees via the National Insurance Fund. A list of these tasks, as applicable, consists of:

- Notifying creditors of the liquidator's appointment and other associated formalities including statutory advertising and filing relevant statutory notices at Companies House.
- Opening, maintaining and managing the liquidation estate cashbook, bank account(s).
- IPS set-up - Creation and update of case files on the firm's insolvency software which includes company information, creditors, debtors and employees details.
- Securing the Company's books and records.
- Complying with statutory duties in respect of the liquidator's specific penalty bond.
- Redirection of the Company's mail to the liquidator's office.
- Pension regulatory reporting and auto-enrolment cancellation.
- Completion and filing of the notice of the Company's insolvency to HMRC.
- Dealing with former employees to provide support and assistance in lodging any claims they may be entitled to make for unpaid wages, holiday pay and other statutory entitlements from the National Insurance Fund and the Company.
- Dealing with all post-appointment VAT and corporation tax compliance.
- Liaison with secured creditors, obtaining charge documents and validating the security.
- Initial assessment required by Statement of Insolvency Practice 2 and the Company Directors Disqualification Act 1986 (CDDA) including the review of the Company's books and records and the identification of potential further asset realisations which may be pursued in the liquidation.
- Filing a statutory return to the Department for Business, Energy and Industrial Strategy (BEIS) under the Company Directors Disqualification Act 1986 ("CDDA").
- Preparing and issuing annual progress reports to members and creditors.
- Lodging periodic returns with the Registrar of Companies for the liquidation.
- Establishing and holding periodic meetings of the liquidation committee and associated filing formalities (if a committee is appointed).
- Periodic case progression reviews (typically at the end of Month 1 and every 6 months thereafter). Although these reviews are not legal requirements, Regulatory Bodies who monitor the work of Office Holders see these tasks as best practice requirements with which the Office Holders are required to comply.

ESTIMATE OF THE COSTS FOR THE LIQUIDATION – Cont'd

Investigations

SIP2 requires that the Liquidator carry out an initial assessment of the Company's financial affairs and into the conduct of the director of the Company and transactions entered into prior to the Company's insolvency, as required by the CDDA. The time estimated for this work is the minimum that is considered necessary in order to carry out any meaningful assessment. Following this initial assessment which will include considerations of any potential proceeding and recoveries, the Liquidator would then be in a position to consider whether further work is necessary in order to investigate any instances of antecedent transactions and wrongful trading.

At the time of providing this estimate it is impossible to say whether there will be any follow up enquiry into any misfeasance. However, as a Liquidator cannot be paid fees unless he has provided an estimate for the work, I have made a small estimate to cover this area in the event that some further work over and above the initial assessment might be necessary.

Realisation of assets

The liquidator will seek to realise all of the Company's assets which will be set out in the director's statement of affairs. It should be noted that the details set out below are based on the director's estimated statement of affairs and the projected realisable value of the Company's assets which at this stage is unconfirmed. As Joint Liquidator, I will undertake appropriate investigations into the Company's assets and will confirm the likely return to creditors in my first progress report.

i. Book Debts

It is extremely difficult to provide any reliable estimate on the collection of book debts as this depends on the state of the records and also on the age and quality of the debts. I have estimated my time costs based on my experience in dealing with book debt collections. I have also factored into the estimate the work required to review the position and make recoveries in respect of the client deposit monies held.

ii. Intangible Assets:

There may be an element of value attributable to the Company's intangible assets (i.e. Goodwill and Intellectual Property) if these could be sold on a going concern basis. Accordingly, an estimate has been provided for the work required to assess the value of the same and to liaise with independent agents and any prospective purchasers in this regard. This also includes assessing the position in respect of the Company's investments.

iii. Tangible Assets:

An estimate has also been provided for the work to be undertaken in dealing with the sale/disposal of the Company's tangible assets (i.e. Office Furniture and Equipment etc.).

Creditors (claims and distributions)

The Liquidator will have to deal with all secured, preferential and unsecured creditors' correspondence and claims as received, including any claims of creditors under retention of title.

The Liquidators will have to deal with queries from employees and the closing of the PAYE scheme, the issue of P45 and potential claims being submitted to the Redundancy Payment Office.

Based on current information, it is uncertain whether there will be a dividend payable to unsecured creditors. Accordingly, I have only provided an estimate for dealing with creditors' enquiries and for acknowledging their claims.

ESTIMATE OF THE COSTS FOR THE LIQUIDATION – Cont'd

EXPENSES AND DISBURSEMENTS

As also noted, I am required to provide creditors with details of the expenses I consider will be, or are likely to be, incurred in the liquidation.

Direct expenses (“Category 1 disbursements”)

Category 1 disbursements as defined by SIP 9, which can be specifically identified as relating to the administration of the case, will be charged to the estate at cost, with no uplift. These include, but are not limited to, such items as case advertising, bonding and other insurance premiums and properly reimbursed expenses incurred by personnel in connection with the case.

Below is a table which outlines the expenses that I consider at this stage will be, or are likely to be incurred in dealing with the Company’s affairs. I will provide update to creditors in my future progress reports.

Expense	Basis of fee arrangement	Estimated Costs
Employee claims processing	Eg, Rate per employee claim or hourly rate agreed	Uncertain
Insurance	At cost	Uncertain
Agent’s costs in dealing with asset sales	Fee Fixed (re valuation) & % of realisations	£1,000 (valuation fee) & 10% of realisations
Solicitor’s costs in dealing with sale of assets/property/ antecedent transactions	Time costs	Uncertain
Statutory advertising	At cost	£260
Liquidator’s bond	At cost	£120
Staff related travel expenses	At cost	Nil

Indirect expenses (“Category 2 disbursements”)

Category 2 disbursements require approval from creditors. These are costs which are directly referable to the appointment in question but are not payments which are made to an independent third party and may include shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis such as internal room hire, document storage or business mileage. Approval to charge these will be sought from creditors when the basis of my remuneration as Liquidator is fixed. The Category 2 disbursements which this firm proposes to charge in this case are unlikely to exceed £2,000 overall and are as follows:-

Headed paper	25p per sheet
Photocopying	6p per sheet
Envelopes	25p each
Postage	Actual cost
Meeting room facility	£150

ESTIMATE OF THE COSTS FOR THE LIQUIDATION – Cont'd

Storage and Archiving Charges

We use a commercial archiving company for storage facilities for companies' records and papers. This is recharged to the estate at the rate of £10 per box per quarter, and includes a small charge to cover the administration costs of maintaining the archiving database and retrieval of documents. We also use our own personnel and vehicle for collection of books and records for which we charge £50 per hour.

Travel

Mileage incurred as a result of any necessary travelling is charged to the estate at HM Revenue & Customs approved rate, currently 45p per mile.

DRAGON PAYMENTS LIMITED (FORMERLY THE LONDON BLOCK EXCHANGE LTD)

PROPOSED LIQUIDATORS' ESTIMATE OF TIME COSTS							
Classification of work function	Hours					Total Cost £	Average hourly rate £
	Partners	Manager / Senior Manager	Admin / Senior Admin	Cashiers	Total hours		
Statutory compliance, admin and planning							
IPS set up & maintenance	00:00	01:00	06:00	00:00	07:00	1,435.00	205.00
Statutory filings,circulars, notices, etc.	01:00	03:00	09:00	00:00	13:00	3,320.00	255.38
Case planning, strategy & control	02:00	02:00	02:00	00:00	06:00	2,370.00	395.00
Taxation: PAYE, C/Tax & VAT	01:00	02:00	06:00	00:00	09:00	2,405.00	267.22
Accounting & Cashiering	00:00	00:30	03:00	04:00	07:30	1,747.50	233.00
Case reviews & Diary maintenance	01:00	04:00	08:00	00:00	13:00	3,515.00	270.38
Statutory reporting and compliance	01:00	04:00	10:00	00:00	15:00	3,915.00	261.00
Investigations							
CDDA preparation & reporting	02:00	03:00	10:00	00:00	15:00	4,015.00	267.67
SIP2 assessment and financial review	01:00	04:00	10:00	00:00	15:00	3,915.00	261.00
Antecedent transactions & wrongful trading	01:00	02:00	06:00	00:00	09:00	2,365.00	262.78
Realisation of assets							
Intangible assets	05:00	05:00	04:00	00:00	14:00	5,250.00	375.00
Tangible assets	01:00	02:00	04:00	00:00	07:00	2,085.00	297.86
Shares & Investments	01:00	02:00	02:00	00:00	05:00	1,875.00	375.00
Book debts / Client deposit recoveries	02:00	02:00	04:00	00:00	08:00	2,580.00	322.50
Creditors & distributions							
Unsec'd Creditors: correspondence & claims	04:00	06:00	18:00	00:00	28:00	7,550.00	269.64
Preferential creditors & employees	00:30	01:00	02:00	00:00	03:30	1,042.50	297.86
Total hours and costs	23:30	43:30	104:00	04:00	175:00	49,385.00	282.20

**NOTICE OF DECISIONS BEING SOUGHT FROM CREDITORS
BY A DECISION PROCEDURE – VIRTUAL MEETING**

DRAGON PAYMENTS LTD (FORMERLY LONDON BLOCK EXCHANGE LIMITED)
(the Company)
Registered Number – 10966096

This notice is given pursuant to Part 6 and 15 of the Insolvency (England and Wales) Rules 2016 (**the Rules**).

THE PROPOSED DECISIONS

Benjamin Dives, the director of the Company, in his capacity as the Chair of the Company's Board of Directors (**the Convener**), gives notice that a Virtual Meeting of the Company's creditors is to be held at 10:15am on 14 February 2020 (**the Decision Date**) for the purpose of considering and making the following proposed Decisions:-

1. **THAT** creditors decide on the nomination of a Liquidator. It is proposed that Paul Cooper, and Paul Appleton of David Rubin & Partners, 26 - 28 Bedford Row, London, WC1R 4HE, be appointed Joint Liquidators.
2. **THAT** the unpaid pre-appointment costs of David Rubin & Partners as detailed below be approved for payment.
3. **THAT** the Joint Liquidators' remuneration be fixed by reference to the time spent by themselves and their staff in attending to matters arising in the winding-up, as detailed in the fees estimate/information provided to creditors with the Decisions Notice to creditors, and that the Joint Liquidators be authorised to draw their remuneration on account as and when funds permit.
4. **THAT** the Joint Liquidators be authorised to draw category 2 disbursements on the basis of his firm's published tariff, as disclosed to creditors and that the Joint Liquidators be authorised to be reimbursed such disbursements as and when funds permit.
5. **Whether** a liquidation committee should be established if sufficient creditors are willing to be members of a committee and if so, who the creditors' wish to nominate for membership of the committee. Information on the role of a liquidation Committee can be found in the Publications folder on David Rubin & Partners' website at www.drpartners.com/cases using the following username and password to log in:-

USERNAME: D1026@drco.co.uk

PASSWORD: 6201Dde*!

Access details

It is proposed that the Virtual Meeting will be by Telephone Conferencing, hosted by David Rubin & Partners. For security reasons and to limit access to only those who are entitled to participate in the Decision Procedure, if you wish to join the meeting, for access details, please telephone Kyer Cooper of David Rubin & Partners on 020 7400 7900 quoting reference PC/DE/KC/D1026.

The Virtual Meeting may be suspended or adjourned by the chair of the meeting (and must be adjourned if it is so resolved at the meeting).

Entitlement to vote

In order to be entitled to vote at the meeting (either in person or by proxy), creditors must have submitted a proof in respect of their claim to the Convener via the contact details below, by no later than 4pm on the business day immediately before the meeting.

Any creditor entitled to attend and vote at the meeting is entitled to do so either in person or by proxy and a form of proxy is enclosed with the letter accompanying this notice. If you cannot attend and wish to be represented at the meeting, a completed proxy form must be delivered to the Convener via the contact details below, prior to the meeting.

Creditors' committee – nominations

Any nominations for membership of the committee will only be accepted if the Convener is satisfied as to the nominee's eligibility to be a member of such committee under Rule 17.4 of the Rules. Please note that nominations for membership can also be made on the proxy form accompanying this notice.

Under Rule 17.4, a creditor is eligible to be a member of such a committee if the creditor has proved for a debt, the debt is not fully secured and the proof has not been wholly disallowed for voting purposes or wholly rejected for the purpose of distribution or dividend. Please note that a person cannot be a member as both a creditor and a contributory and whilst a body corporate may be a member of a creditors' committee, it can only act through a representative appointed under Rule 17.17.

Complaint in relation to conduct of the meeting

Any person who claims to be an excluded person or attends the meeting and claims to have been adversely affected by the actual, apparent or claimed exclusion of another person, may make a complaint in accordance with Rule 15.38 of the Rules. Such a complaint must be made by no later than 4pm on the business day following the meeting, or where the complainant has sought an indication of what occurred during the period of exclusion, under Rule 15.37, by no later than 4pm on the business day following the complainant receiving the indication.

Appeal of Convener's decision

Pursuant to Rule 15.35 of the Rules, any creditor may apply to the court to appeal a decision of the Convener. However, an appeal must be made within 21 days of the Decision Date.

Creditor information

A list of the names and addresses of the Company's creditors will be available for inspection, free of charge, by David Rubin & Partners at 26 - 28 Bedford Row, London, WC1R 4HE on the two business days immediately before the Decision Date.

Resolution that the Company be wound up voluntarily

The Written Resolutions that the Company be wound up voluntarily will be counted by the Convenor, or on his behalf, on the Decision Date, in order to ascertain whether the requisite majority has been obtained.

Statement of Affairs

Pursuant to Section 99 of the Insolvency Act 1986, the directors of the Company are required before the Decision Date and before the end of the period of 7 days beginning with the day after the day on which the Company passes a resolution for winding up, to make out a statement (in the prescribed form) as to the affairs of the Company and to send the same to the Company's creditors.

Pre-appointment costs

The services provided by David Rubin & Partners (DRP) were requested by the directors and given for the benefit of creditors of the Company. The Insolvency (England and Wales) Rules 2016 provide that any reasonable and necessary expenses associated with these services may be paid out of the Company's assets after the commencement of the liquidation as an expense of it. If approval for the costs as an expense of the liquidation is sought, this must be from any liquidation committee (if appointed) or if no committee, from creditors.

On behalf of the Company, the directors have approved the pre-appointment costs as a set amount of £6,000 plus VAT and disbursements in respect of assistance to be rendered in connection with the steps necessary to place the Company into liquidation, which includes the preparation of the Statement of Affairs, a brief report on the financial position of the Company including the events leading up to its failure, and assistance given to the directors to deal with the work required to seek a Decision of the Company's creditors over the nomination of a Liquidator.

The work for placing a company into liquidation is *prescriptive*, that is to say, all the steps are set out in the Companies Act, the Insolvency Act and Insolvency Rules plus related regulations. You will find on the attached Appendix a list of the tasks that DRP have to carry out and the documents that they have to prepare in order to place the Company into liquidation and seeking a Decision of the creditors.

The preparation of a Statement of Affairs for the Company includes reviewing the Company's accounting records, liaising with agents where necessary to establish values for any assets owned by the Company and liaising with the Company's accountants, bankers, director(s) and staff as necessary to enable this document to be prepared and verified ahead of the Decision Date. This may include instructing the Company's accountants to assist in this process, in which case, their costs will also be reflected above.

The costs associated with seeking a decision from the Company's creditors on the nomination of a liquidator, include making available information on the financial affairs of the Company in order that creditors can make an informed decision. The decision-making process involved liaising with the director(s) to understand the Company's relevant trading activity and financial history in the period leading up to liquidation and reviewing and extracting company/accounting information in order to prepare the necessary paperwork and circulating creditors with the decision-related documentation on behalf of the director(s).

I consider that the set fee agreed with the director(s) and proposed for approval by creditors as an expense of the liquidation represents a fair and reasonable value of the overall work DRP have to carry out to assist the director(s) to place the Company into liquidation.

Creditors with a small debt

Any creditor whose debt is treated as a small debt (less than £1,000 inclusive of VAT) must still deliver a proof of debt in respect of their claim with their proxy form if they wish to vote on the Proposed Decisions at the meeting.

Request for a physical meeting

Insolvency legislation also provides that creditors who meet certain thresholds, namely 10% in value of creditors, 10% in number of creditors or 10 creditors, may require a physical meeting to be held to consider the Proposed Decisions. Such a request must be made in writing to the Convener by the meeting on the Decision Date. To enable the Convener to determine whether a threshold has been met, please also provide a proof with any request at the latest by Noon on 13 February 2020.

Contact details

Documents required to be delivered to **(the Convener)** pursuant to this notice can be sent by post to David Rubin & Partners, 26 - 28 Bedford Row, London, WC1R 4HE. Regrettably, our current IT infrastructure is not geared to dealing with communication of this nature by email. Any person who requires further information may contact by telephone on 020 7400 7900.

Dated: 29 January 2020

Signed: 

BENJAMIN DIVES - CONVENER

Return to:-

David Rubin & Partners
26 - 28 Bedford Row
London WC1R 4HE

DRAGON PAYMENTS LIMITED (FORMERLY LONDON BLOCK EXCHANGE LIMITED)

Case Ref: PC/DE/D1026/CVL1-4a

Name of Creditor:- _____

Address:- _____

The following are enclosed:-

Tick where applicable

- | | |
|-------------------------|--------|
| 1. Statement of Account | () |
| 2. Proof of Debt | () |
| 3. Proxy Form | () |

Retention of Title

- | | |
|---|--------|
| 4. We will not be claiming retention of title | () |
| 5. We are claiming retention of title and attach the followings:- | () |
| a) Copy of Trading Conditions | [] |
| b) The Company's acknowledgement of trading conditions | [] |
| c) Copy of signed orders | [] |

DATE: _____

Note: To ensure your claim is registered, please complete and return these documents prior to the creditors' meeting

Proxy (Creditors' Voluntary Winding Up)

* Insert the name
of the company.

**IN THE MATTER OF: DRAGON PAYMENTS LIMITED (FORMERLY
LONDON BLOCK EXCHANGE LIMITED)**

and

IN THE MATTER OF THE INSOLVENCY ACT 1986

Notes to help completion of the form.

Please give full name and
Address for communication.

Name of Creditor/Member _____

Address _____

Please insert name of person (who must be 18 or over) or the "chairman of the meeting" (see note below). If you wish to provide for alternative proxy-holders in the circumstances that your first choice is unable to attend, please state the name(s) of the alternative(s) as well.

Name of Proxy holder _____

1. _____

2. _____

3. _____

Please delete words in brackets if the proxy-holder is only to vote as directed i.e. he/she has no discretion.

I appoint the above person to be my/the creditor's/member's proxy-holder at the meeting of creditors/members to be held on **14 February 2020** or any adjournment of that meeting. The proxy-holder is to propose or vote as instructed below [and in respect of any resolution for which no specific instruction is given, may vote or abstain at his/her discretion].

Decisions: Voting instructions

Please complete paragraph 1 if you wish to nominate or vote for a specific person or liquidator.

**1. For the appointment of _____
as liquidator of the Company.**

Please delete words in brackets if the proxy-holder is only to vote as directed i.e. he has no discretion.

[In the event of a person named in paragraph 1 withdrawing or being eliminated from any vote for the appointment of a liquidator, the proxy-holder may vote or abstain in any further ballot at his/her discretion]

Any other resolutions which the proxy-holder is to propose or vote in favour of or against should be set out in numbered paragraphs in the space provided below paragraph 1. If more room is required please use the other side of this form.

This form must be signed.

Signature _____ **Date** _____

Name in CAPITAL LETTERS _____

Only to be completed if the creditor/member has not signed in person.

Position with creditor/member or other authority for signature

Note: if you nominate the Chairman of the meeting to be your proxy-holder he will either be a director of the company or the current liquidator.

Ref: PC/DE/D1026/CVL1-4a/STG1

There may be resolution on the other side of this form.

PROOF OF DEBT - GENERAL FORM

**IN THE MATTER OF: DRAGON PAYMENTS LIMITED (FORMERLY LONDON BLOCK
EXCHANGE LIMITED)**

and

IN THE MATTER OF THE INSOLVENCY ACT 1986

Date of Virtual Meeting: 14 February 2020

1.	Name of Creditor. (Please include Company Registration Number if creditor is a registered company)	
2.	Address of Creditor.	
3.	Total amount of Claim, including any VAT, as at the date the Company went into liquidation.	£
4.	Details of any document by reference to which the debt can be substantiated. [note: the Liquidator may call for any document or evidence to substantiate the claim at his discretion].	
5.	Particulars of how and when debt was incurred. (If you need more space, please append a continuation sheet to this form)	
6.	Particulars of any security held, the value of the security, and the date it was given.	£
7.	Particulars of any reservation of title claims in respect of goods supplied.	
8.	Signature of creditor or person to act on his behalf Name in BLOCK LETTERS Position with or relation to creditor	

FOR OFFICE USE ONLY

Admitted to vote for £

Date

Liquidator

Our Ref: PC/DE/D1026/CVL1-L7/Stg1

Your Ref:

David Rubin & Partners

Chartered Accountants • Licensed Insolvency Practitioners

26 - 28 Bedford Row
London WC1R 4HE

DX 267 London/Chancery Lane

Telephone: 020 7400 7900

Facsimile: 020 7242 3233

E-Mail: DE-team@drpartners.com

Website: www.drpartners.com

Benjamin Dives
20-22 Wenlock Road
London
N1 7GU

29 January 2020

Dear Mr Dives

DRAGON PAYMENTS LIMITED (FORMERLY LONDON BLOCK EXCHANGE LIMITED)

At a recent Board meeting of the Company, the director discussed the financial affairs of the Company and he was satisfied that the Company is insolvent. The director resolved to recommend to shareholders that steps be taken to place the Company into Creditors' Voluntary Liquidation.

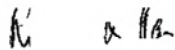
We have been instructed by the Board to assist with the formalities and a shareholders' meeting is therefore to be held at 1st Floor, 26-28 Bedford Row, London, WC1R 4HE on 14 February 2020 at 10:00am. Resolutions to be put to shareholders include one for the appointment of Mr Paul Cooper and Mr Paul Appleton of this Firm as Joint Liquidators. A Decision will also be sought from the Company's creditors who will either ratify the appointment, or alternatively appoint a Liquidator of their choice.

For the purpose of the General Meeting, I enclose the following documents:-

- a formal notice of the shareholders' meeting together (Form S72)
- a form of proxy.

If you do not propose to attend, you may appoint someone to attend and vote on your behalf by completing the proxy form and returning it to my office at the above address by no later than 12 noon on the business day immediately prior to the meeting.

Yours faithfully



DAVID RUBIN & PARTNERS

Encs.



*David Rubin & Partners is the trading style of David Rubin & Partners Ltd
Registered Office: 26-28 Bedford Row, London WC1R 4HE
Registered in England & Wales. Registration No.08977557*



Company No.: 10966096

Registered in England and Wales

Name of company

DRAGON PAYMENTS LIMITED (FORMERLY LONDON BLOCK EXCHANGE LIMITED)

FORM OF PROXY

I/We the undersigned, being a member of the above-named company, hereby appoint or failing him the Chairman of the meeting, as my/our Proxy to vote on my/our behalf at the General Meeting of the Company to be held on 14 February 2020, notice of which was sent to shareholders, and at any adjournment thereof.

The proxy will vote on the under-mentioned resolutions, as indicated:-

	FOR	AGAINST
SPECIAL RESOLUTIONS		
That the Company be wound-up voluntarily	[]	[]

ORDINARY RESOLUTIONS

"That Paul Cooper and Paul Appleton of David Rubin & Partners, 26 - 28 Bedford Row, London, WC1R 4HE be, and are hereby, appointed Joint Liquidators for the purpose of the voluntary winding-up of the Company"	[]	[]
--	-----	-----

If this form is signed and returned without any indication as to how the Proxy shall vote, he will exercise his discretion both as to how he votes (and whether or not he abstains from voting).

PRINT NAME:

DATE:

SIGNATURE:

If you intend to attend the meeting, please tick this box

☐

Notes to the Proxy Form

1. As a member of the Company you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at a general meeting of the Company. You can only appoint a proxy using the procedures set out in these notes.
2. Appointment of a proxy does not preclude you from attending the meeting and voting in person. If you have appointed a proxy and attend the meeting in person, your proxy appointment will automatically be terminated.

3. A proxy does not need to be a member of the Company but must attend the meeting to represent you. To appoint as your proxy a person other than the Chairman of the meeting, insert their full name in the box. If you sign and return this proxy form with no name inserted in the box, the Chairman of the meeting will be deemed to be your proxy. Where you appoint as your proxy someone other than the Chairman, you are responsible for ensuring that they attend the meeting and are aware of your voting intentions.
4. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share.
5. To direct your proxy how to vote on the resolutions mark the appropriate box with an "X". If no voting indication is given, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the meeting.
 - To appoint a proxy using this form, the form must be:
 - completed and signed;
 - sent or delivered to David Rubin & Partners, 26 - 28 Bedford Row, London, WC1R 4HE; and
 - received by no later than 12 noon on the business day before the meeting.
6. In the case of a member which is a company, this proxy form must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company.
7. Any power of attorney or any other authority under which this proxy form is signed (or a duly certified copy of such power or authority) must be included with the proxy form.
8. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first-named being the most senior).
9. If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.
10. For details of how to change your proxy instructions or revoke your proxy appointment see the notes to the notice of meeting.
11. You may not use any electronic address provided in this proxy form to communicate with the Company for any purposes other than those expressly stated.

COMPANIES ACT 2006

S72

**Notice to members of meeting to pass
special resolution to wind-up an
insolvent company**

Company number

10966096

Name of company

DRAGON PAYMENTS LTD (FORMERLY LONDON BLOCK EXCHANGE LIMITED)

NOTICE IS HEREBY GIVEN that a General Meeting of the shareholders of the Company will be held at on 14 February 2020 at 1st Floor, 26 - 28 Bedford Row, London, WC1R 4HE, precisely, for the purpose of considering and, if thought fit, of passing the following resolution as a **SPECIAL RESOLUTION**:-

1) "That the Company be wound-up voluntarily, and that

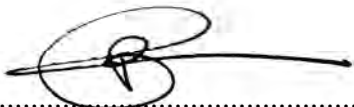
Paul Cooper, F.C.A.
of David Rubin & Partners
26 - 28 Bedford Row
London
WC1R 4HE

Paul Appleton, F.C.A.
of David Rubin & Partners
26 - 28 Bedford Row
London
WC1R 4HE

be and they are hereby appointed Joint Liquidators for the purposes of such winding-up"

Dated: 29 January 20120

By order of the Board



BENJAMIN DIVES - DIRECTOR

A Member entitled to attend and vote at the above-mentioned Meeting is entitled to appoint a proxy, who need not be a Member of the Company, to attend and vote instead of him.

Notes:

- (1) Delete that which does not apply
- (2) Delete if it does not apply

Our Ref: PC/DE/D1026/CVL1-L2/Stg1

Your Ref:

David Rubin & Partners

Chartered Accountants • Licensed Insolvency Practitioners

Mr Benjamin Dives
Kemp House
160 City Road
London
EC1V 2NX

26 - 28 Bedford Row
London WC1R 4HE

DX 267 London/Chancery Lane

Telephone: 020 7400 7900

Facsimile: 020 7242 3233

E-Mail: [addressee]@drpartners.com

Website: www.drpartners.com

29 January 2020

Dear Benjamin

DRAGON PAYMENTS LIMITED ("THE COMPANY")
PROPOSED CREDITORS' VOLUNTARY LIQUIDATION

Further to your recent instructions to us to assist the director to place the Company into liquidation, you are required in the first instance to convene a Board Meeting for the purpose of considering and passing a number of resolutions. In this respect, I enclose all the relevant forms and documents as follows:

Documents to be produced at the Board Meeting:

1. My letter to you, as the nominated Chairman of the Members' meeting and Convener of the creditors' Decision Procedure stating for the purpose of Rule 6.20(4) of the Insolvency (England and Wales) Rules 2016, confirming that I am an Insolvency Practitioner duly qualified and consenting to act as Liquidator of the Company. This should be produced to the Board as evidence of my willingness to act as Liquidator.
2. A schedule of the work that I am required to carry out on behalf of the directors as Reporting Accountant, and my Firm's quotation for this work.
3. My Firm's Letter of Engagement (2 copies), which has been sent to you under separate cover, for discussion and approval by the Board. Please note that this is a standard letter which my Firm is required to issue to you in accordance with the requirements of our Professional Regulatory Body, which sets out the terms of our engagement and our respective duties. If approved, a signed copy of this letter should be returned to me.
4. Draft Minutes of the Directors' Meeting which you can use as the Agenda for the Board Meeting. This draft is in a format that if passed by the Board, may be signed by the Chairman after the meeting. Please insert the time and location at which the meeting was held where indicated.

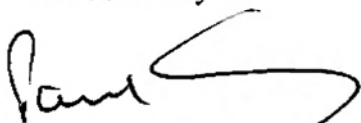
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- 2 -

5. A letter from the Company instructing my Firm to assist the Director to place the Company into liquidation.
6. Form S72 - Notice to Shareholders of a General Meeting of the Company to pass a Special Resolution to wind-up the Company. **Please date and sign this form.**
7. Notice of Virtual Meeting of Creditors for advertised in the London Gazette. **Please date and sign this form.**
8. A list of information to be supplied by the Company (sent under separate cover).

Assuming that the Board is in agreement, would you please complete and sign all these documents as soon as possible and return them to this office.

Yours sincerely



PAUL COOPER
DAVID RUBIN & PARTNERS

Paul Cooper and Paul Appleton are licensed to act as Insolvency Practitioners in the UK by the ICAEW

Encs.

Our Ref: PC/DE/D1026/CVL1-L2/Stg1

Your Ref:

26 - 28 Bedford Row
London WC1R 4HE

DX 267 London/Chancery Lane

Telephone: 020 7400 7900

Facsimile: 020 7242 3233

E-Mail: [addressee]@drpartners.com

Website: www.drpartners.com

Dragon Payments Ltd
Kemp House
160 City Road
London
EC1V 2NX

29 January 2020

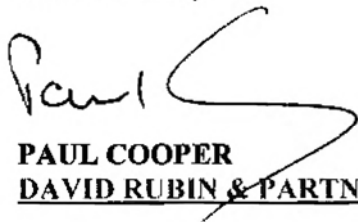
Dear Sir / Madam

DRAGON PAYMENTS LTD

Further to our recent communication, I would inform you that I am an Insolvency Practitioner duly qualified and licensed under the Insolvency Act 1986 to be Joint Liquidator of the above-named Company.

For the purpose of Rule 6.20(4) of the Insolvency (England and Wales) Rules 2016, I am pleased to confirm that I consent to act as Joint Liquidator of the Company. I also confirm that I hold the necessary security for the proper performance of my functions as Joint Liquidator and would inform you that my appointment may or may not be ratified by creditors on the **Decision Date**.

Yours faithfully



PAUL COOPER
DAVID RUBIN & PARTNERS

Paul Cooper is licensed to act as an Insolvency Practitioner in the UK by the ICAEW

Our Ref: PC/DE/D1026/CVL1-L2/Stg1

Your Ref:

26 - 28 Bedford Row
London WC1R 4HE

DX 267 London/Chancery Lane

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Dragon Payments Ltd
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160 City Road
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29 January 2020

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For the purpose of Rule 6.20(4) of the Insolvency (England and Wales) Rules 2016, I am pleased to confirm that I consent to act as Joint Liquidator of the Company. I also confirm that I hold the necessary security for the proper performance of my functions as Joint Liquidator and would inform you that my appointment may or may not be ratified by creditors on the **Decision Date**.

Yours faithfully



PAUL APPLETON
DAVID RUBIN & PARTNERS

Paul Appleton is licensed to act as an Insolvency Practitioner in the UK by the ICAEW

DRAGON PAYMENTS LTD

DAVID RUBIN & PARTNERS AS REPORTING ACCOUNTANTS

DETAIL OF TASKS THAT ARE COMMONLY CARRIED OUT WHEN PLACING A COMPANY INTO LIQUIDATION AND QUOTATION FOR THE WORK:

- 1 Engaging with accountants: re Company information and financial information -
- 2 DRP Project Management Meetings
- 3 Collating information, creating case file and preparing database on DRP Insolvency Suite ("IPS), viz.
 - i. Statutory information: Co. Number, Directors etc
 - ii. HMRC & Cred. References, etc.
 - iii. List of Assets
 - iv. Creditors and amount owed
- 4 Meeting and discussion re arranging for signing of documents
- 5 Creating Case file on Web Portal
- 6 Accessing Companies House Website: downloads of documents, verifying Statutory information as provided by the Company
- 7 Entering Set Up details onto IPS: Company Information; Directors Information, Creditors information; Assets and Liabilities
- 8 Carrying Out Conflict Reviews
- 9 Completing Bribery Act Reviews
- 10 Preparing and carrying out MLR enquiries
- 11 Preparing Letter of Engagement
- 12 Preparing IP's Consent to Act Letter with list
- 13 Preparing Draft Minutes of Board Meetings
- 14 Preparing Liquidation Documents:
 - i. Member's Proxy Form
 - ii. Preparing Notice to Members of General Meetings or Written Resolutions
 - iii. Preparation of Notice of Decision Procedure of Creditors including the extensive information stipulated in the Rules,.
 - iv. Providing an estimate of the Proposed Liquidator's remuneration for the purpose of fixing the basis of the Liquidator's remuneration.
 - v. Preparing Director's Report in respect of financial information to be provided to creditors (SIP 6)
 - vi. Preparation of Directors' Statement of Affairs including Members and Creditors List
 - vii. Preparation of Directors' Statement of Truth
 - viii. Reviewing Gazette Adverts and monitoring copies received from the agents, Courts Advertising
 - ix. Draft Minutes of General Meeting / Notes of Control of Written Resolutions
 - x. Draft Report to Creditors of result of Decision Procedures
 - xi. Draft Certificate of Liquidator's Appointment by Company
 - xii. Draft Special Resolutions for filing at Companies House
 - xiii. Draft Special Resolutions and Resolution/Decision of Liquidator's appointment for placing in the London Gazette
 - xiv. Creditors' Forms for request of a physical creditors' Meeting
 - xv. Proof of Debts Forms
- 15 Verifying all documents properly signed by Director and Shareholders and collating
 - i. Statement of Truth
 - ii. Statement of Affairs
 - iii. List of Creditors – categorised by class.
 - iv. List of Shareholders – categorised by class

DRAGON PAYMENTS LTD

DAVID RUBIN & PARTNERS AS REPORTING ACCOUNTANTS

DETAIL OF TASKS THAT ARE COMMONLY CARRIED OUT WHEN PLACING A COMPANY INTO LIQUIDATION AND QUOTATION FOR THE WORK:

Staff allocation and the use of subcontractors

Our general approach to resourcing our assignments is to allocate staff with the skills and experience to meet the specific requirements of the case. The constitution of the case team will usually consist of a Partner, Manager, Senior Administrator and two Administrators. The exact constitution of the case team will depend on the anticipated size and complexity of the assignment and additional staff may be allocated to meet the demands of the case.

DRP'S

We may agree a fixed fee for this work. However, our fees are normally calculated on the basis of time spent at hourly rates, dependent on the level of experience of the individual, in respect of the services to be rendered by us. Our current rates exclusive of VAT, which are charged in units of 6 minutes, are shown below:-

	£
Senior / Managing Partners	550
Partners/Office holders	495
Managers / Senior Managers	350 - 395
Senior Administrators	220 - 295
Administrators	160 - 200
Cashiers and Assistants	150 - 295
Support Staff	120 - 150

The time necessary to complete the work will be influenced by the complexities of the Company's financial affairs, the state of its books and records and co-operation received from the Company and its accounting department.

We propose to charge an initial fee of £6,000 Plus VAT with the proviso that should the time incurred exceed this sum, additional fees may be charged with creditors' approval. Further details have been provided in section 8 of the enclosed draft Letter of Engagement which also includes my Firm's charge out rates for this work.

Funds to cover the initial fee plus VAT are to be deposited with DRP to be held specifically to defray the above costs and may be invoiced and drawn before or immediately upon the Company entering liquidation, at the discretion of DRP.

MINUTES OF A MEETING OF THE BOARD OF DIRECTORS OF

DRAGON PAYMENTS LTD

HELD AT KEMP HOUSE, 160 CITY ROAD, LONDON, EC1V 2NX

ON 29 JANUARY 2020 AT 9:15AM

Present: Benjamin Martin Dives - Chair

In attendance: Paul Cooper (via Telephone) - David Rubin and Partners

The Company's financial position was discussed and the view was taken that the Company cannot by reasons of its liabilities continue its business, and it is advisable to wind-up the Company voluntarily.

The Chair reported that David Rubin & Partners ("DRP"), a firm of Insolvency Practitioners have been consulted to assist in the formalities. The Chair produced to the meeting:

- i. Mr Paul Cooper and Paul's Appleton's consent to act as Joint Liquidators of the Company;
- ii. a schedule prepared by DRP of the work that is necessary to place the Company into liquidation, which includes a quotation for the work;
- iii. a draft Letter of Engagement from DRP setting out terms and conditions for the assignment.

After discussions, the following Resolutions were passed:-

IT WAS RESOLVED by the Board, having considered that the quotation provided by DRP for the work as Reporting Accountants is reasonable, that it be accepted. The Director personally undertakes to discharge the approved initial fee and disbursements of DRP, in carrying out the Board's instructions in the event that the assets of the Company are insufficient to meet such fees and disbursements and that additional fee based on time cost may be taken with the approval of creditors.

IT WAS FURTHER RESOLVED to approve the contents set out in DRP's Letter of Engagement and the Chair was authorised to sign and return a copy to DRP on behalf of the Board.

IT WAS FURTHER RESOLVED that a General Meeting of the Company's shareholders be convened for the purposes of considering and, if thought fit, passing the Special Resolution and Ordinary Resolution respectively as noted hereunder:

"**That** the Company be wound-up voluntarily and **that** Paul Cooper and Paul Appleton of David Rubin & Partners, 26 - 28 Bedford Row, London, WC1R 4HE be and are hereby appointed Joint Liquidators for the purposes of such winding-up".

IT WAS FURTHER RESOLVED that creditors' Decision be sought on the nomination of a Liquidator in accordance with Rule 6.14(2) of the Insolvency (England and Wales) Rules 2016 on a date to be confirmed and that DRP be instructed to send notices to the shareholders and creditors and to insert copies, thereof as applicable, in the London Gazette and, place such further advertising that is considered appropriate.

MINUTES OF A MEETING OF THE BOARD OF DIRECTORS OF

DRAGON PAYMENTS LTD

Continued

IT WAS FURTHER RESOLVED that instructions be given to DRP to assist the Director in the preparation of the Director's Statement of Affairs and the Financial Information Report to creditors, and to advise on the financial control of the Company up to the date of the passing of an effective resolution for the winding-up of the Company.

IT WAS FURTHER RESOLVED that DRP be and are hereby authorised to instruct such professional valuers as are necessary for confirming asset values in the preparation of the Statement of Affairs.

IT WAS FURTHER RESOLVED that Benjamin Dives, being a director of the Company, be appointed as Convener and Chair of the Decision Procedure or Deemed Consent Procedure.

IT WAS FURTHER RESOLVED that DRP be and are hereby authorised to discharge their initial fee plus VAT and disbursements immediately after the passing of the Special Resolution of Members, at their discretion, as set out in their quotation from the funds deposited with and held by them on a client's account for the specific purpose of defraying these expenses.

IT WAS FURTHER RESOLVED that DRP be empowered to pay into their clients' account all further monies received by the Company prior to the Company entering into liquidation and to use those funds to discharge all liabilities in respect of costs and expenses properly incurred prior to the appointment of a liquidator including payments to employees and suppliers, and to pass over the balance in that account, if any, to the Liquidator following his/her appointment.

IT WAS FURTHER RESOLVED that the members be requested to consent to the shareholders' meeting being held at short notice, if appropriate.

IT WAS FURTHER RESOLVED that the registered office of the Company be changed to 26 - 28 Bedford Row, London, WC1R 4HE.

Signed
BENJAMIN MARTIN DIVES - CHAIR



DRAGON PAYMENTS LTD

29 January 2020

Paul Cooper & Paul Appleton Esq.
David Rubin & Partners
26 - 28 Bedford Row
London WC1R 4HE

Dear Messrs Paul Appleton and Paul Cooper

Following our recent meeting, we confirm that you are instructed to assist us to prepare the Director's Report and the Statement of Affairs of the Company, to assist with the Decision Procedure or Deemed Consent Procedure of the Creditors of the Company and to contact all known creditors of the Company in respect of that procedure. Where applicable would you please obtain specialist valuations of assets of the Company.

Funds collected in respect of assets of the Company together with any book debts are to be held for and on behalf of the Creditors of the Company pending the appointment of liquidators.

You are also instructed to advise on the day to day matters of the Company, with the overall view of protecting the interests of the Creditors and to receive adequate remuneration from realised assets to cover your time costs and expenses.

The quotation you have provided for the work to be carried out by your Firm as Reporting Accountants was discussed by the Board and accepted. The Board also reviewed your Letter of Engagement and again this was approved and I enclose a signed copy as requested.

Yours sincerely

For and on behalf of the Board



BENJAMIN DIVES - DIRECTOR

Notice to members of meeting to pass special resolution to wind-up an insolvent company

Company number

10966096

Name of company

DRAGON PAYMENTS LTD (FORMERLY LONDON BLOCK EXCHANGE LIMITED)

NOTICE IS HEREBY GIVEN that a General Meeting of the shareholders of the Company will be held at on 14 February 2020 at 1st Floor, 26 - 28 Bedford Row, London, WC1R 4HE, precisely, for the purpose of considering and, if thought fit, of passing the following resolution as a **SPECIAL RESOLUTION**:-

1) "That the Company be wound-up voluntarily, and that

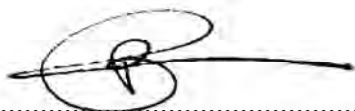
Paul Cooper, F.C.A.
of David Rubin & Partners
26 - 28 Bedford Row
London
WC1R 4HE

Paul Appleton, F.C.A.
of David Rubin & Partners
26 - 28 Bedford Row
London
WC1R 4HE

be and they are hereby appointed Joint Liquidators for the purposes of such winding-up"

Dated: 29 January 20120

By order of the Board



BENJAMIN DIVES - DIRECTOR

A Member entitled to attend and vote at the above-mentioned Meeting is entitled to appoint a proxy, who need not be a Member of the Company, to attend and vote instead of him.

Notes:

- (1) Delete that which does not apply
- (2) Delete if it does not apply

**NOTICE OF DECISIONS BEING SOUGHT FROM CREDITORS
BY A DECISION PROCEDURE – VIRTUAL MEETING**

DRAGON PAYMENTS LTD (FORMERLY LONDON BLOCK EXCHANGE LIMITED)
(the Company)
Registered Number - 10966096

This notice is given pursuant to Part 6 and 15 of the Insolvency (England and Wales) Rules 2016 (**the Rules**).

THE PROPOSED DECISIONS

Benjamin Dives, the director of the Company, in his capacity as the Chair of the Company's Board of Directors (**the Convener**), gives notice that a Virtual Meeting of the Company's creditors is to be held at 10:15am on 14 February 2020 (**the Decision Date**) for the purpose of considering and making the following proposed Decisions:-

1. **THAT** creditors decide on the nomination of a Liquidator. It is proposed that Paul Cooper, and Paul Appleton of David Rubin & Partners, 26 - 28 Bedford Row, London, WC1R 4HE, be appointed Joint Liquidators.
2. **THAT** the unpaid pre-appointment costs of David Rubin & Partners as detailed below be approved for payment.
3. **THAT** the Joint Liquidators' remuneration be fixed by reference to the time spent by themselves and their staff in attending to matters arising in the winding-up, as detailed in the fees estimate/information provided to creditors with the Decisions Notice to creditors, and that the Joint Liquidators be authorised to draw their remuneration on account as and when funds permit.
4. **THAT** the Joint Liquidators be authorised to draw category 2 disbursements on the basis of his firm's published tariff, as disclosed to creditors and that the Joint Liquidators be authorised to be reimbursed such disbursements as and when funds permit.
5. **Whether** a liquidation committee should be established if sufficient creditors are willing to be members of a committee and if so, who the creditors' wish to nominate for membership of the committee. Information on the role of a liquidation Committee can be found in the Publications folder on David Rubin & Partners' website at www.drpartners.com/cases using the following username and password to log in:-

USERNAME: D1026@drco.co.uk

PASSWORD: 6201Dde*!

Access details

It is proposed that the Virtual Meeting will be by Telephone Conferencing, hosted by David Rubin & Partners. For security reasons and to limit access to only those who are entitled to participate in the Decision Procedure, if you wish to join the meeting, for access details, please telephone Kyer Cooper of David Rubin & Partners on 020 7400 7900 quoting reference PC/DE/KC/D1026.

The Virtual Meeting may be suspended or adjourned by the chair of the meeting (and must be adjourned if it is so resolved at the meeting).

Entitlement to vote

In order to be entitled to vote at the meeting (either in person or by proxy), creditors must have submitted a proof in respect of their claim to the Convener via the contact details below, by no later than 4pm on the business day immediately before the meeting.

Any creditor entitled to attend and vote at the meeting is entitled to do so either in person or by proxy and a form of proxy is enclosed with the letter accompanying this notice. If you cannot attend and wish to be represented at the meeting, a completed proxy form must be delivered to the Convener via the contact details below, prior to the meeting.

Creditors' committee – nominations

Any nominations for membership of the committee will only be accepted if the Convener is satisfied as to the nominee's eligibility to be a member of such committee under Rule 17.4 of the Rules. Please note that nominations for membership can also be made on the proxy form accompanying this notice.

Under Rule 17.4, a creditor is eligible to be a member of such a committee if the creditor has proved for a debt, the debt is not fully secured and the proof has not been wholly disallowed for voting purposes or wholly rejected for the purpose of distribution or dividend. Please note that a person cannot be a member as both a creditor and a contributory and whilst a body corporate may be a member of a creditors' committee, it can only act through a representative appointed under Rule 17.17.

Complaint in relation to conduct of the meeting

Any person who claims to be an excluded person or attends the meeting and claims to have been adversely affected by the actual, apparent or claimed exclusion of another person, may make a complaint in accordance with Rule 15.38 of the Rules. Such a complaint must be made by no later than 4pm on the business day following the meeting, or where the complainant has sought an indication of what occurred during the period of exclusion, under Rule 15.37, by no later than 4pm on the business day following the complainant receiving the indication.

Appeal of Convener's decision

Pursuant to Rule 15.35 of the Rules, any creditor may apply to the court to appeal a decision of the Convener. However, an appeal must be made within 21 days of the Decision Date.

Creditor information

A list of the names and addresses of the Company's creditors will be available for inspection, free of charge, by David Rubin & Partners at 26 - 28 Bedford Row, London, WC1R 4HE on the two business days immediately before the Decision Date.

Resolution that the Company be wound up voluntarily

The Written Resolutions that the Company be wound up voluntarily will be counted by the Convenor, or on his behalf, on the Decision Date, in order to ascertain whether the requisite majority has been obtained.

Statement of Affairs

Pursuant to Section 99 of the Insolvency Act 1986, the directors of the Company are required before the Decision Date and before the end of the period of 7 days beginning with the day after the day on which the Company passes a resolution for winding up, to make out a statement (in the prescribed form) as to the affairs of the Company and to send the same to the Company's creditors.

Pre-appointment costs

The services provided by David Rubin & Partners (DRP) were requested by the directors and given for the benefit of creditors of the Company. The Insolvency (England and Wales) Rules 2016 provide that any reasonable and necessary expenses associated with these services may be paid out of the Company's assets after the commencement of the liquidation as an expense of it. If approval for the costs as an expense of the liquidation is sought, this must be from any liquidation committee (if appointed) or if no committee, from creditors.

On behalf of the Company, the directors have approved the pre-appointment costs as a set amount of £6,000 plus VAT and disbursements in respect of assistance to be rendered in connection with the steps necessary to place the Company into liquidation, which includes the preparation of the Statement of Affairs, a brief report on the financial position of the Company including the events leading up to its failure, and assistance given to the directors to deal with the work required to seek a Decision of the Company's creditors over the nomination of a Liquidator.

The work for placing a company into liquidation is *prescriptive*, that is to say, all the steps are set out in the Companies Act, the Insolvency Act and Insolvency Rules plus related regulations. You will find on the attached Appendix a list of the tasks that DRP have to carry out and the documents that they have to prepare in order to place the Company into liquidation and seeking a Decision of the creditors.

The preparation of a Statement of Affairs for the Company includes reviewing the Company's accounting records, liaising with agents where necessary to establish values for any assets owned by the Company and liaising with the Company's accountants, bankers, director(s) and staff as necessary to enable this document to be prepared and verified ahead of the Decision Date. This may include instructing the Company's accountants to assist in this process, in which case, their costs will also be reflected above.

The costs associated with seeking a decision from the Company's creditors on the nomination of a liquidator, include making available information on the financial affairs of the Company in order that creditors can make an informed decision. The decision-making process involved liaising with the director(s) to understand the Company's relevant trading activity and financial history in the period leading up to liquidation and reviewing and extracting company/accounting information in order to prepare the necessary paperwork and circulating creditors with the decision-related documentation on behalf of the director(s).

I consider that the set fee agreed with the director(s) and proposed for approval by creditors as an expense of the liquidation represents a fair and reasonable value of the overall work DRP have to carry out to assist the director(s) to place the Company into liquidation.

Creditors with a small debt

Any creditor whose debt is treated as a small debt (less than £1,000 inclusive of VAT) must still deliver a proof of debt in respect of their claim with their proxy form if they wish to vote on the Proposed Decisions at the meeting.

Request for a physical meeting

Insolvency legislation also provides that creditors who meet certain thresholds, namely 10% in value of creditors, 10% in number of creditors or 10 creditors, may require a physical meeting to be held to consider the Proposed Decisions. Such a request must be made in writing to the Convener by the meeting on the Decision Date. To enable the Convener to determine whether a threshold has been met, please also provide a proof with any request at the latest by Noon on 13 February 2020.

Contact details

Documents required to be delivered to **(the Convener)** pursuant to this notice can be sent by post to David Rubin & Partners, 26 - 28 Bedford Row, London, WC1R 4HE. Regrettably, our current IT infrastructure is not geared to dealing with communication of this nature by email. Any person who requires further information may contact by telephone on 020 7400 7900.

Dated: 29 January 2020

Signed: 

BENJAMIN DIVES - CONVENER

DETAIL OF TASKS THAT ARE CARRIED OUT AND DOCUMENTS TO BE PREPARED WHEN SEEKING A CREDITORS' DECISION FOR THE APPOINTMENT OF THE LIQUIDATOR

- 1 Engaging with accountants: re Company information and financial information for preparation of Statement of Affairs and Directors' SIP 6 Report.
- 2 DRP Project Management Meetings
- 3 Collating information, creating case file and preparing database on DRP Insolvency Suite ("IPS), viz.
 - i. Statutory information: Co. Number, Directors etc
 - ii. HMRC & Cred. References, etc.
 - iii. List of Assets
 - iv. List of Creditors with addresses and amount owed
- 4 Meeting and discussion with Directors and arranging for signing of statutory documents
- 5 Creating Case file on Web Portal
- 6 Accessing Companies House Website: downloads of documents, verifying Statutory information as provided by the Company
- 7 Entering Set Up details onto IPS: Company Information; Directors Information, Creditors information; Assets and Liabilities
- 8 Carrying Out Conflict Reviews
- 9 Completing Bribery Act Reviews
- 10 Preparing and carrying out Anti-Money Laundering Regulations enquiries
- 11 Preparing Letter of Engagement
- 12 Preparing IP's Consent to Act Letter.
- 13 Preparing Draft Minutes of Board Meetings
- 14 **Preparing Liquidation Documents:**
 - i. Preparation of Notices to convene a General Meeting of the Members, or the alternative, preparing Written Resolutions to the Members.
 - ii. Preparation of Notice of Decision Procedure of Creditors including the extensive information stipulated in the Rules,
 - iii. Providing an estimate of the Proposed Liquidator's remuneration for the purpose of fixing the basis of the Liquidator's remuneration.
 - iv. Preparing Director's Report in respect of financial information to be provided to creditors (SIP 6) Preparation of Directors' Statement of Affairs including lists of Members, Creditors, Employees and Consumer Creditors.
 - v. Preparation of Directors' Statement of Truth
 - vii. Reviewing Gazette Adverts and monitoring copies received from the agents, Courts Advertising
 - viii. Draft Minutes of General Meeting / Notes of Control of Written Resolutions
 - ix. Draft Report to Creditors of result of Decision Procedures
 - x. Draft Certificate of Liquidator's Appointment by Company
 - xi. Draft Special Resolutions for filing at Companies House
 - xii. Draft Special Resolutions and Resolution/Decision of Liquidator's appointment for placing in the London Gazette
 - xiii. Creditors' Forms for request of a physical creditors' Meeting
 - xiv. Proof of Debts Forms
 - xv. Creditors' Proxy Form
- 15 Verifying all documents properly signed by Director and Shareholders and collating
 - i. Statement of Truth
 - ii. Statement of Affairs
 - iii. List of Creditors – categorised by class.

Iv List of Shareholders – categorised by class

- 16 Letter to creditors enclosing all relevant documents to convene a Virtual Meeting of Creditors:
17. Monitoring receipt of Proof of Debt and Proxies
18. Assisting the Convener to host the Creditors' Virtual Meeting.

The above list is not exhaustive as invariably where there are employees, DRP will deal with enquiries from those employees and assist them on how to lodge claims with the Redundancy Payment office. In addition, where there are assets, professional valuers will be instructed and DRP will liaise with the valuers in order to obtain the realisable values of the assets of the Company to insert in the Statement of Affairs. Further discussions will also take place in respect of the sale of these assets.

Our Ref: PC/DE/KC/D1026/CVL1-L1/Stg1

26 - 28 Bedford Row
London WC1R 4HE

DX 267 London/Chancery Lane

Telephone: 020 7400 7900
Facsimile: 020 7242 3233
E-Mail: [addressee]@drpartners.com
Website: www.drpartners.com

Benjamin Dives
Dragon Payments Ltd
Kemp House
160 City Road
London
EC1V 2NX

29 January 2020

Dear Mr Dives

DRAGON PAYMENTS LIMITED ("THE COMPANY")

We refer to our recent meeting at which we discussed the financial position of the Company, and the subsequent meeting of the Board of Directors of the Company. The Board has concluded that the Company is insolvent and that it wishes to engage David Rubin & Partners ("DRP") to assist the Directors to place the Company into Creditors' Voluntary Liquidation.

1. Purpose of this letter

We thank the Board for this instruction and confirm our willingness to assist the Directors with this process. The purpose of this letter is to record that DRP has been engaged by the Company to provide the services (the **Services**) and to set out below the terms of our engagement together with a brief explanation of our respective responsibilities.

2. Scope of Services

We will provide the following services:

- Advise the Directors in the financial control and supervision of the business between the date of this meeting and the date of the passing of a resolution for winding-up;
- Assist the Directors in the preparation of the Statement of Affairs pursuant to the provisions of section 99 of the Insolvency Act 1986, and other information required to be provided to Creditors ahead of the Decision Procedure for their nomination of the Liquidator. The Statement of Affairs must be verified by a Statement of Truth by a Director and **delivered** to Creditors at least 1 day prior to the day of the Decision Procedure. We should therefore be grateful if you would make yourself available at the appropriate time (unless alternative arrangements have been made) for you to examine and approve the Statement of Affairs prior to making the statement.

It should be clearly understood that these services are requested and given for the benefit of the creditors of the Company. Our role is not to advise the directors personally or any parties connected with any eventual purchaser of the Company's assets (where relevant) and with this in mind, the directors should take their own independent advice on their position as necessary.

Cont'd .../2

We will be acting in an advisory capacity only to the Company. Management of the Company remains solely the responsibility of the Directors until any Liquidator is appointed;

We are authorised by the Directors to discuss and disclose any information relevant to the Company's affairs with management and its advisors, whether or not that information is included in the scope of the engagement.

3. Directors' Responsibilities

The Directors' responsibilities are as follows:

- In the period up to the passing of the Resolution to wind up the Company by the members and the decisions of creditors you remain responsible for the conduct of the affairs of the Company and you are under a duty to act so as to preserve the Company's assets and minimise its liabilities in the interest of creditors and members generally.
- You must ensure that any action that you take will not result in any creditor or member, or group of creditors or members, being preferred or given an advantage over the remainder. In particular, you should ensure that any secured creditor having a fixed and floating charge over the Company's assets is not put in a better position as a result of trading, sales of assets on credit etc.
- No payments should be made or authorised to existing creditors of the Company, nor should you obtain any goods or services on credit.
- No delivery of goods already ordered should be accepted with the exception of goods and services required for the realisation of the assets, which should be paid for by cash out of money specifically allocated.
- No assets should be disposed of, except to the extent necessary to meet essential costs and expenses, and you should take care not to allow any of the Company's creditors to obtain possession of the Company's assets pending investigation of any entitlements by a subsequently appointed Liquidator. Creditors seeking to recover goods supplied pursuant to reservation of title clauses (ROT) embodied in their conditions of sale should not be allowed to remove any items from the Company's premises and any such claims should be referred to us.
- You should not supply any goods or services on credit to existing or potential creditors.
- Cash or cheques received by the Company should be handed over to us for payment into our client's account. We shall use these funds to meet the costs and expenses of calling and holding the meetings. The remaining balance will be paid over to the duly appointed Liquidator.
- No goods or other assets should be deposited with, supplied or returned to any supplier, customer or any other person, the value of which could be used as a set off against an existing debt.
- Any Company's overdrawn bank account(s) must not be used. All standing orders, direct debits etc. should be cancelled.
- You are required to bring up to date the Company's books and records and to make both manual and electronic records available to the Liquidator on his appointment

- Adequate insurance cover in respect of the Company's business and assets must be maintained, and all assets, accounting records and statutory books are physically secured. Please advise us immediately if insurance cover expires before the date of the meetings.
- You should be aware that if a Company proposes to make 20 or more employees redundant at one establishment within a 90-day period, there is a responsibility on the employer to provide advance notification to the Secretary of State of the proposed redundancies (using Form HR1), as required by section 193 of the Trade Union and Labour Relations (Consolidation) Act 1992 (TULRCA). Under section 194, failure to notify the Secretary of State is a criminal offence, and from 12 March 2015 the potential fine is unlimited in value. The Directors should bear these obligations in mind prior to liquidation and if applicable to act on them. If you require assistance on this matter, you may wish to discuss this further with us.
- Finally, we expect you to co-operate with us as we carry out our role. In particular, we need you to be available to provide information as required, and we expect you not to act improperly, mislead us or withhold information.

4. The Position of the Directors

The Directors' and officers' powers cease automatically upon liquidation. Consequently there is no requirement to file a formal notice of resignation with the Registrar of Companies. There is however a continuing responsibility to assist the Liquidator and failure to do so is an offence under the Insolvency Act 1986 and may lead to disqualification proceedings being taken by the Department for Business, Energy & Industrial Strategy (BEIS).

It is the duty of the Liquidator to complete a report on the conduct of the Company's officers in pursuance of the Company Directors Disqualification Act 1986. Any adverse report may result in any, all, or a number of the Company's officers being disqualified from acting as a Director of a company for a period of two to fifteen years, depending on the severity of the unfit conduct. A breach of a disqualification order can result in criminal proceedings, leading to a fine or imprisonment (or both).

Liquidation may result in the crystallisation of any personal guarantees or surety that has been provided. If requested, we will discuss with you any potential personal liability, however, it must be stressed that we are instructed to act in relation to the Company and in order to avoid any potential conflict of interest we may recommend that you seek separate independent professional advice as to your personal position.

Liquidation brings only one automatic restriction on the officers of the Company. Under Section 216 of the Insolvency Act 1986, the officers are barred from acting as a director or in the formation, promotion or management of another business with a name or trading style so similar to that of the Company as to imply association. The purpose of the provision is to ensure that directors do not open consecutive businesses and benefit from ongoing goodwill at the expense of creditors. It also seeks to ensure creditors are not duped into providing credit facilities to a new business, in the belief it is an established company.

There are provisions in the Insolvency (England and Wales) Rules 2016 (Rule 22.1 to Rule 22.7) which allow exemption from the effects of Section 216 in circumstances where there are genuine reasons and perhaps benefits for a new company/business to utilise such a name.

Should you require, we may assist you in respect of the provisions of the Act and provide copies of the appropriate Statute. We strongly recommend that you seek independent legal advice if you feel the provisions of Section 216 are likely to apply to you.

5. Information Required of the Directors

As discussed with you, the preparation of the Statement of Affairs to be verified and sent to all creditors ahead of their decision on the nomination of a liquidator is key to the liquidation process, as is the gathering of information to prepare the report for creditors required by Statement of Insolvency Practice No 6 (SIP6).

Before we can issue notices to creditors to facilitate this decision, we need to be in a position where the preparation of the above documentation is underway, if not already finalised and ready to be sent out to creditors. Insolvency legislation requires that these documents must be provided to creditors before the liquidation occurs.

Therefore, we require that you provide us with a comprehensive list of the Company's financial documents by return. In order to assist you, we attach herewith a list of information (CVL1-F4) that you should provide us. Please note that Creditors consist of liabilities owed of any nature whatsoever including debts to Crown departments, trade and expense creditors, bank liabilities and financing such as hire purchase, leasing and any contract hire arrangement and may include any contingent creditors such as unexpired leases and disputed claims or any matter which either now or in the future could give rise to a claim against the Company.

The Statement of Affairs must schedule any debts due to employees/former employees, or consumer creditors who have paid for goods or services in advance, separately. To assist with this requirement, I would be grateful if you would identify such claims on separate schedules.

Whilst we will be assisting you with the preparation of the draft Statement of Affairs, the directors should note that it is an offence punishable by imprisonment and/or a fine, if any officer of the Company makes any material omission in any statement relating to the Company's affairs, therefore it is important that you make a full disclosure of the assets and liabilities of the Company.

Finally, I would advise you that any material transaction involving company assets after the Statement of Affairs has been verified by the directors (but before the nomination of a liquidator is decided by creditors), will trigger the requirement under insolvency legislation for a material transaction report to be made to creditors. This may have the effect of delaying the proposed decision on the nomination of a liquidator.

Should any material transactions occur during the above timeframe which are not disclosed, a liquidator once appointed, would be required to investigate these as antecedent transactions and report the findings to creditors.

Please note that the Directors remain responsible for the Company's affairs until the Liquidator is appointed. In this respect, please ensure that all the Company's books are written up-to-date. Wages records should be written up, but only in respect of monies actually paid to employees. All outstanding VAT and PAYE returns should be completed. Where forms P45 are issued to employees, Part 1 of the form should be handed to us.

6. Agents and Asset Valuation

It may be necessary to instruct agents to value and thereafter dispose of the Company's assets. It will greatly assist the agents if copies of any finance agreements, together with the lease (if appropriate) of the premises are made available as soon as possible.

In order that we may arrange for the valuation of any goodwill or intellectual property we will require full and comprehensive details of any patent applications, designs, copyrights, customer/product details and any other agreements or documentation that could prove to have a realisable value.

7. Privacy and Data Protection

As part of our role, we may need to access and use data relating to individuals. In doing so, we must abide by data protection requirements. Information about the way that we will use and store personal data, in relation to insolvency appointments, can be found in the attached Privacy Notice.

We would also ask that you provide details about the extent of personal data held by the Company, for example, employee records, and inform us of any current or recent historical breaches under data protection legislation, you are aware of, that have been reported to the Information Commissioners' Office against the Company.

8. DRP's Team

Paul Cooper, and his partner Paul Appleton, will lead our team and be responsible for the preparation of the Statement of Affairs and supporting documentation and they will be assisted by Darren Ellis.

9. Fees

Our fees are normally calculated on the basis of time spent at hourly rates as set out below, dependent on the level of experience of the individual, in respect of the services to be rendered by us in connection with the preparation of the Statement of Affairs, and in seeking a decision of the Company's creditors over the nomination of a liquidator, which will include assistance with the preparation of the report to creditors on the Company's financial position.

However, in this instance we have agreed a fixed fee of £6,000 plus VAT and disbursements, and we require funds to be deposited with us for the specific purpose of defraying these costs. We confirm that any funds deposited with us will be banked in a client account, but as agreed, we will be at liberty to draw the agreed fee and disbursements, as permitted by Rule 6.7 of the Insolvency (England and Wales) Rules 2016, either before or immediately after the passing of the Members' Special Resolution placing the Company into liquidation. Interest earned on these funds will be for our benefit. In the event that we consider the fixed fee to be insufficient owing to unexpected circumstances requiring additional work to be performed, we reserve the rights to seek creditors' approval for additional payments.

If Paul Cooper and Paul Appleton are appointed as Joint Liquidators, they will seek creditors' approval for the basis upon which the Joint Liquidators' fees are to be calculated, which is likely to be on the basis of time spent at hourly rates relative to the level of experience of the individual. Our current rates exclusive of VAT, which are charged in units of 6 minutes, are shown below:-

£

Senior / Managing Partners	550
Partners/Office holders	495
Managers / Senior Managers	350 - 395
Senior Administrators	220 - 295
Administrators	160 - 200
Cashiers and Assistants	150 - 295
Support Staff	120 – 150

The proper charges and disbursements in connection with the services will be paid out of the assets of the Company.

In addition, disbursements will be recharged which typically comprise: travel, internal and external printing, advertising, room hire and postage.

10. Conflicts of Interest

The rules governing our profession restrict the extent to which we can deal with insolvent companies if they, or any of their directors or shadow directors, have been a client previously. There are also restrictions if there is any other relationship, which could prejudice our objectivity or could be seen to do so.

Our internal enquiries do not indicate that the Company or any of its directors or shadow directors has been a client previously. A shadow director is defined as a person in accordance with whose directions or instructions the directors are accustomed to act. We have not identified any other relationship which could impair our objectivity.

The endorsement at the bottom of this letter is confirmation that as far as you are aware and in your opinion, no conflict of interest exists which would prevent the acceptance of appointment as Liquidator.

If an actual or potential conflict comes to our attention after the commencement of our engagement, we will discuss this with you and determine an appropriate course of action. However, you agree that, as a result of duties imposed by law or the rules or regulations of any regulatory authority or of duties of confidentiality owed to other persons, DRP may be prohibited from disclosing, or it may be inappropriate for DRP to disclose, information to you, including details of the conflict situation.

If a conflict situation arises and we cannot continue our engagement with you, you agree to pay our fees for providing the Services up to the termination date, together with any expenses incurred by us in connection with the provision of the Services. You also agree that we shall not have any liability to you arising out of or in connection with the conflict situation.

11. Clients' Money Regulations

We may, from time to time, hold money on your behalf. Such funds will be held in trust in a client bank account, which is segregated from DRP's funds. The account will be operated, and all funds dealt with, in accordance with the Clients' Money Regulations of the Institute of Chartered Accountants in England and Wales.

In order to avoid an excessive amount of administration, interest will only be paid to you where the amount earned on the balances held on your behalf in any calendar year exceeds £200. If the total

sum of money held on your behalf is enough to give rise to a significant amount of interest or is likely to do so, then we will put the money in a separate designated interest bearing client bank account and pay the interest to you which, subject to any tax legislation, will be paid gross.

We will return monies held on your behalf promptly as soon as there is no longer any reason to retain those funds.

12. The Provision of Services Regulations 2009

In accordance with the disclosure requirements of the Provision of Services Regulations 2009, our Professional Indemnity insurer is Royal & Sun Assurance Plc. The territorial coverage is worldwide, including business conducted in the United States of America or Canada provided that the Insurer shall not be liable for punitive and exemplary damages.

13. Proceeds of Crime Act 2002 (PoCA) and Money Laundering Regulations

In order to comply with legal requirements relating to money laundering, we are required to go through formal procedures with each client before we can act for that client to establish, amongst other things, the identity of the client and maintain records of identification as evidence.

Although we may have acted for you in the past, as this is a new assignment, we are required to renew our identification procedure. In this connection, when returning an endorsed copy of this Letter of Engagement, would you please also enclose a certified copy of the photo page of the passports of two of the Directors of the Company, and at least one of the following:-

- bank statement/utility bill; or
- register of electors print; or
- driving licence.

If you cannot get the passport copies certified by a Solicitor or a qualified accountant, please bring the passports with you to our office so that we may compare each copy with its original.

We would confirm that the proposed Office Holder(s) is a Data Controller within the meaning of data protection legislation and any data received from you in this regard, will be processed only for the purpose of preventing money laundering or terrorist financing, or as permitted under Regulation 41(3) of the 2017 Regulations (Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017).

14. Quality of Service

If at any time you are dissatisfied with the services you are receiving, please contact the Engagement Partner disclosed in this Letter of Engagement. If you would prefer to deal with someone else, please contact our Compliance Partner, Henry Lan. We will carefully consider any complaint we receive and, if we believe that we have given a less than satisfactory service, we will take all reasonable steps to put it right.

Whilst we undertake to look into any complaint carefully and promptly and to do all we can to explain the position to you, if you remain unsatisfied, you have the right to refer the matter to the Insolvency Complaints Gateway which is operated by the Insolvency Service, an Executive Agency of the Department for Business, Energy & Industrial Strategy (BEIS).

Complaints can be made by email, telephone or letter to staff in the Complaints Gateway as follows:

- Calling the Insolvency Service Enquiry Line on 0300 678 0015 (week days 9am to 5pm);
- By completing an online complaints form at www.gov.uk/complain-about-insolvency-practitioner (Guidance for those who wish to complain can also be found on this site;
- Alternatively, by sending the completed complaints form to: IP Complaints, Insolvency Service, 3rd Floor, 1 City Walk, Leeds, LS11 9DA.

15. Governing Law and Jurisdiction

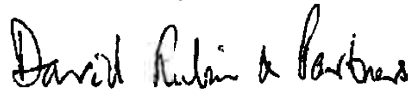
The Contract shall be governed by and interpreted in accordance with the laws of England and Wales. The Courts of England and Wales shall have exclusive jurisdiction in relation to any claim, dispute or difference concerning the Contract and any matter arising from it.

16. Agreement of Terms

Please read this letter carefully, and if you are in agreement with the terms set out therein, kindly sign and date the enclosed copy and return it to us immediately.

Finally, should you have any questions regarding the content of this letter, please do not hesitate to contact Darren Ellis at this office.

Yours sincerely

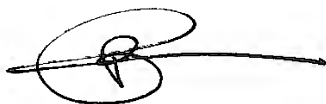


DAVID RUBIN & PARTNERS

Confirmation of Terms of Engagement

We confirm that the above properly sets out the arrangements agreed for this assignment, and we agree to its terms. We also confirm that DRP will have unrestricted access to the Company's books and records and the full cooperation of its Directors and senior management who will keep you informed of any matters arising which they consider are relevant to your work. In addition, we confirm that you may liaise fully with the Company's bankers, factors, invoice discounters, solicitors and other relevant professional advisors on any matters concerning the Company's financial affairs.

We also confirm that neither the Company nor any of its directors or shadow directors are aware, of any relationship which could prejudice David Rubin & Partners' objectivity or be seen to do so in respect of this assignment.



Signed:

BENJAMIN DIVES

ON BEHALF OF DRAGON PAYMENTS LTD

29.1.2020

Date:

Our Ref: PC/DE/D1026/CVL1-L7/Stg1

Your Ref:

David Rubin & Partners

Chartered Accountants • Licensed Insolvency Practitioners

26 - 28 Bedford Row
London WC1R 4HE

DX 267 London/Chancery Lane

Telephone: 020 7400 7900

Facsimile: 020 7242 3233

E-Mail: DE-team@drpartners.com

Website: www.drpartners.com

Jonathan Sandelson

By email only: johnny@sandelson.com

29 January 2020

Dear Mr Sandelson

DRAGON PAYMENTS LIMITED (FORMERLY LONDON BLOCK EXCHANGE LIMITED)

At a recent Board meeting of the Company, the director discussed the financial affairs of the Company and he was satisfied that the Company is insolvent. The director resolved to recommend to shareholders that steps be taken to place the Company into Creditors' Voluntary Liquidation.

We have been instructed by the Board to assist with the formalities and a shareholders' meeting is therefore to be held at 1st Floor, 26-28 Bedford Row, London, WC1R 4HE on 14 February 2020 at 10:00am. Resolutions to be put to shareholders include one for the appointment of Mr Paul Cooper and Mr Paul Appleton of this Firm as Joint Liquidators. A Decision will also be sought from the Company's creditors who will either ratify the appointment, or alternatively appoint a Liquidator of their choice.

For the purpose of the General Meeting, I enclose the following documents:-

- a formal notice of the shareholders' meeting together (Form S72)
- a form of proxy.

If you do not propose to attend, you may appoint someone to attend and vote on your behalf by completing the proxy form and returning it to my office at the above address by no later than 12 noon on the business day immediately prior to the meeting.

Yours faithfully

David Rubin & Partners

DAVID RUBIN & PARTNERS

Encs.



*David Rubin & Partners is the trading style of David Rubin & Partners Ltd
Registered Office: 26-28 Bedford Row, London WC1R 4HE
Registered in England & Wales. Registration No.08977557*



Company No.: 10966096

Registered in England and Wales

Name of company

DRAGON PAYMENTS LIMITED (FORMERLY LONDON BLOCK EXCHANGE LIMITED)

FORM OF PROXY

I/We the undersigned, being a member of the above-named company, hereby appoint or failing him the Chairman of the meeting, as my/our Proxy to vote on my/our behalf at the General Meeting of the Company to be held on 14 February 2020, notice of which was sent to shareholders, and at any adjournment thereof.

The proxy will vote on the under-mentioned resolutions, as indicated:-

	FOR	AGAINST
SPECIAL RESOLUTIONS		
That the Company be wound-up voluntarily	[]	[]

ORDINARY RESOLUTIONS

"That Paul Cooper and Paul Appleton of David Rubin & Partners, 26 - 28 Bedford Row, London, WC1R 4HE be, and are hereby, appointed Joint Liquidators for the purpose of the voluntary winding-up of the Company"	[]	[]
--	-----	-----

If this form is signed and returned without any indication as to how the Proxy shall vote, he will exercise his discretion both as to how he votes (and whether or not he abstains from voting).

PRINT NAME:

DATE:

SIGNATURE:

If you intend to attend the meeting, please tick this box

☐

Notes to the Proxy Form

1. As a member of the Company you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at a general meeting of the Company. You can only appoint a proxy using the procedures set out in these notes.
2. Appointment of a proxy does not preclude you from attending the meeting and voting in person. If you have appointed a proxy and attend the meeting in person, your proxy appointment will automatically be terminated.

3. A proxy does not need to be a member of the Company but must attend the meeting to represent you. To appoint as your proxy a person other than the Chairman of the meeting, insert their full name in the box. If you sign and return this proxy form with no name inserted in the box, the Chairman of the meeting will be deemed to be your proxy. Where you appoint as your proxy someone other than the Chairman, you are responsible for ensuring that they attend the meeting and are aware of your voting intentions.
4. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share.
5. To direct your proxy how to vote on the resolutions mark the appropriate box with an "X". If no voting indication is given, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the meeting.
 - To appoint a proxy using this form, the form must be:
 - completed and signed;
 - sent or delivered to David Rubin & Partners, 26 - 28 Bedford Row, London, WC1R 4HE; and
 - received by no later than 12 noon on the business day before the meeting.
6. In the case of a member which is a company, this proxy form must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company.
7. Any power of attorney or any other authority under which this proxy form is signed (or a duly certified copy of such power or authority) must be included with the proxy form.
8. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first-named being the most senior).
9. If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.
10. For details of how to change your proxy instructions or revoke your proxy appointment see the notes to the notice of meeting.
11. You may not use any electronic address provided in this proxy form to communicate with the Company for any purposes other than those expressly stated.

P Cooper
First
PC1
30.01.20

IN THE HIGH COURT OF JUSTICE

Case No: CR-2019-001356

BUSINESS AND PROPERTY COURTS OF ENGLAND AND WALES

COMPANIES COURT (ChD)

IN THE MATTER OF DRAGON PAYMENTS LTD (FORMERLY LONDON BLOCK EXCHANGE LTD)

AND

IN THE MATTER OF THE INSOLVENCY ACT 1986

SQUIRE PATTON BOGGS (UK) LLP

Petitioner

- and -

DRAGON PAYMENTS LTD

Respondent

WITNESS STATEMENT OF PAUL COOPER

I, **Paul Cooper**, Partner at David Rubin & Partners of 26-28 Bedford Row, London WC1R 4HE,
WILL SAY:

1. I am a Chartered Accountant and Licensed Insolvency Practitioner regulated by the Institute of Chartered Accountants in England and Wales.
2. All facts and matters contained in this witness statement are true to the best of my knowledge. Unless otherwise stated, the contents of this statement are based on my own knowledge. Where I refer to facts of which I do not have first hand knowledge, I explain the source of my knowledge, and those facts are true to the best my knowledge, understanding and belief.

3. Attached to this witness statement is a paginated file of documents marked **Exhibit PC1**, to which I will refer by page number in this witness statement.
4. I am aware that on 31 January 2020 at 2pm the Court is to consider whether a winding up order should be made in respect of the company Dragon Payments Limited ("the Company"). I understand that the Petitioner will seek to argue that the Court should make an order for the compulsory liquidation of the Company. I also understand that the petition is founded on a bill from a solicitor which is yet to be assessed by the Senior Courts Costs Office.
5. The Director of the Company has consulted me, and has now instructed me formally to advise the Company having paid to my firm David Rubin and Partners the sum of £6,000 plus VAT from third-party funds.
6. Having considered the Company's position, I have advised the Director of the Company to undertake a creditors voluntary liquidation ("CVL"), notwithstanding that the original debt relied on by the Petitioner is not liquidated. The Director has accepted that advice.
7. Notices of the proposed CVL were sent to the Company's shareholders and creditors on 29 January 2020. Those notices convene shareholder and creditor meetings for 10am and 10:15am respectively on 14 February 2020.
8. Letters to Shareholders were sent to Mr Benjamin Dives and Mr Jonathan Sandelson, and copies of those letters appear at **pages 1 to 6 of PC1**.
9. A copy of the Letter to Creditors appears at **pages 7 to 22 of PC1**. That letter was sent to 23 known external creditors of the Company, as well as to 12 employees. These recipients are not named in this witness statement for reasons of data security, but their names can be made available to the Court and to the Petitioner as required.
10. I note from paragraph 19 of the fourth witness statement of Russell Hill dated 27th January 2020 that the Petitioner alleges that ten supporting creditors with purported debts owed by the Company of a combined sum of £986,091.88 have made themselves known to the Petitioner. I am informed by the Company's director that the identities of the additional supporting creditors have not been made known to the Company and no proofs of debt have been received.

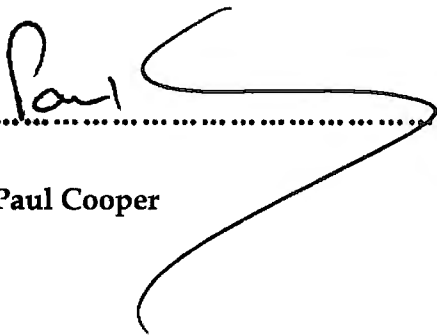
11. Of course, upon the Company being informed of the identities of any supporting creditors who have not already received it, those parties will also be sent the Letter to Creditors referred to above.
12. In summary, it is my professional opinion that a CVL is preferable than a compulsory liquidation ("WUC") for the following reasons.
 - a) Costs are lower in a CVL than a WUC. Third-party funds have been utilised to pay for the CVL, whereas costs for the WUC would come out of potential asset realisations, lowering the potential distribution to creditors.
 - b) I am aware that the Company has been in dialogue with two potential counterparties with regard to a sale of its assets:
 - i. The first potential buyer is based in Poland. Discussions with that prospective buyer commenced in October 2019 and are very progressed. I have had sight of a deal memorandum which is the precursor to Heads of Terms for the sale.
 - ii. The other potential buyer is a UK-based company, and discussions have been in progress for over 2 months. I have taken steps to verify the veracity of this company from searches at Companies House.
 - c) In my opinion a positive asset sale has a better chance of being finalised in a CVL than in a WUC. This will maximise potential realisations for the general body of creditors. The stigma associated with a WUC and the subsequent involvement of the Official Receiver can cause buyers to be wary and is usually detrimental to the sales process in my experience.
 - d) The Company is insolvent pursuant to section 123 of the Insolvency Act 1986, and the director has a fiduciary duty to ensure it is placed into Liquidation. By undertaking a CVL the director is carrying out his fiduciary duty.
 - e) A CVL is a more rapid process than WUC, especially given the need for an Office Holder to deal with the potential sale of the assets.

13. For all of these reasons, I therefore respectfully suggest to the Court that the most appropriate course of action in the interests of the Company's creditors is that the Company be permitted to enter into a CVL following the meetings on 14th February 2020.

Statement of Truth

I believe that the facts stated in this witness statement are true

Dated: 30th January 2020


.....

Paul Cooper

IN THE HIGH COURT OF JUSTICE

Case No: CR-2019-001356

BUSINESS AND PROPERTY COURTS OF ENGLAND AND WALES

COMPANIES COURT (ChD)

IN THE MATTER OF DRAGON PAYMENTS LTD (FORMERLY LONDON BLOCK
EXCHANGE LTD)

AND

IN THE MATTER OF THE INSOLVENCY ACT 1986

SQUIRE PATTON BOGGS (UK) LLP

Petitioner

- and -

DRAGON PAYMENTS LTD

Respondent

EXHIBIT PC1

Our Ref: PC/DE/D1026/CVL1-L7/Stg1

Your Ref:

David Rubin & Partners

Chartered Accountants • Licensed Insolvency Practitioners

26 - 28 Bedford Row
London WC1R 4HE

DX 267 London/Chancery Lane

Telephone: 020 7400 7900
Facsimile: 020 7242 3233
E-Mail: DE-team@drpartners.com
Website: www.drpartners.com

Benjamin Dives
20-22 Wenlock Road
London
N1 7GU

29 January 2020

Dear Mr Dives

DRAGON PAYMENTS LIMITED (FORMERLY LONDON BLOCK EXCHANGE LIMITED)

At a recent Board meeting of the Company, the director discussed the financial affairs of the Company and he was satisfied that the Company is insolvent. The director resolved to recommend to shareholders that steps be taken to place the Company into Creditors' Voluntary Liquidation.

We have been instructed by the Board to assist with the formalities and a shareholders' meeting is therefore to be held at 1st Floor, 26-28 Bedford Row, London, WC1R 4HE on 14 February 2020 at 10:00am. Resolutions to be put to shareholders include one for the appointment of Mr Paul Cooper and Mr Paul Appleton of this Firm as Joint Liquidators. A Decision will also be sought from the Company's creditors who will either ratify the appointment, or alternatively appoint a Liquidator of their choice.

For the purpose of the General Meeting, I enclose the following documents:-

- a formal notice of the shareholders' meeting together (Form S72)
- a form of proxy.

If you do not propose to attend, you may appoint someone to attend and vote on your behalf by completing the proxy form and returning it to my office at the above address by no later than 12 noon on the business day immediately prior to the meeting.

Yours faithfully

David Rubin & Partners

DAVID RUBIN & PARTNERS

Encs.



*David Rubin & Partners is the trading style of David Rubin & Partners Ltd
Registered Office: 26-28 Bedford Row, London WC1R 4HE
Registered in England & Wales. Registration No.08977557*



| # T.299. | DRAGON PAYMENTS LIMITED (FORMERLY LONDON BLOCK EXCHANGE LIMITED) FORM OF PROXY

Company No.: 10966096

Registered in England and Wales

Name of company

DRAGON PAYMENTS LIMITED (FORMERLY LONDON BLOCK EXCHANGE LIMITED)

FORM OF PROXY

I/We the undersigned, being a member of the above-named company, hereby appoint or failing him the Chairman of the meeting, as my/our Proxy to vote on my/our behalf at the General Meeting of the Company to be held on 14 February 2020, notice of which was sent to shareholders, and at any adjournment thereof.

The proxy will vote on the under-mentioned resolutions, as indicated:-

	FOR	AGAINST
SPECIAL RESOLUTIONS		
That the Company be wound-up voluntarily	[]	[]

ORDINARY RESOLUTIONS

"That Paul Cooper and Paul Appleton of David Rubin & Partners, 26 - 28 Bedford Row, London, WC1R 4HE be, and are hereby, appointed Joint Liquidators for the purpose of the voluntary winding-up of the Company"	[]	[]
--	-----	-----

If this form is signed and returned without any indication as to how the Proxy shall vote, he will exercise his discretion both as to how he votes (and whether or not he abstains from voting).

PRINT NAME:

DATE:

SIGNATURE:

If you intend to attend the meeting, please tick this box ☐

Notes to the Proxy Form

1. As a member of the Company you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at a general meeting of the Company. You can only appoint a proxy using the procedures set out in these notes.
2. Appointment of a proxy does not preclude you from attending the meeting and voting in person. If you have appointed a proxy and attend the meeting in person, your proxy appointment will automatically be terminated.

3. A proxy does not need to be a member of the Company but must attend the meeting to represent you. To appoint as your proxy a person other than the Chairman of the meeting, insert their full name in the box. If you sign and return this proxy form with no name inserted in the box, the Chairman of the meeting will be deemed to be your proxy. Where you appoint as your proxy someone other than the Chairman, you are responsible for ensuring that they attend the meeting and are aware of your voting intentions.
4. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share.
5. To direct your proxy how to vote on the resolutions mark the appropriate box with an "X". If no voting indication is given, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the meeting.
 - To appoint a proxy using this form, the form must be:
 - completed and signed;
 - sent or delivered to David Rubin & Partners, 26 - 28 Bedford Row, London, WC1R 4HE; and
 - received by no later than 12 noon on the business day before the meeting.
6. In the case of a member which is a company, this proxy form must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company.
7. Any power of attorney or any other authority under which this proxy form is signed (or a duly certified copy of such power or authority) must be included with the proxy form.
8. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first-named being the most senior).
9. If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.
10. For details of how to change your proxy instructions or revoke your proxy appointment see the notes to the notice of meeting.
11. You may not use any electronic address provided in this proxy form to communicate with the Company for any purposes other than those expressly stated.

Our Ref: PC/DE/D1026/CVL1-L7/Stg1

Your Ref:

David Rubin & Partners

Chartered Accountants • Licensed Insolvency Practitioners

26 - 28 Bedford Row
London WC1R 4HE

DX 267 London/Chancery Lane

Telephone: 020 7400 7900
Facsimile: 020 7242 3233
E-Mail: DR-team@drpartners.com
Website: www.drpartners.com

Jonathan Sandelson

By email only: johnny@sandelson.com

29 January 2020

Dear Mr Sandelson

DRAGON PAYMENTS LIMITED (FORMERLY LONDON BLOCK EXCHANGE LIMITED)

At a recent Board meeting of the Company, the director discussed the financial affairs of the Company and he was satisfied that the Company is insolvent. The director resolved to recommend to shareholders that steps be taken to place the Company into Creditors' Voluntary Liquidation.

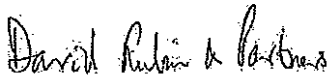
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Yours faithfully



DAVID RUBIN & PARTNERS

Encs.



*David Rubin & Partners is the trading style of David Rubin & Partners Ltd
Registered Office: 26-28 Bedford Row, London WC1R 4HE
Registered in England & Wales. Registration No.08977557*



Company No.: 10966096

Registered in England and Wales

Name of company

DRAGON PAYMENTS LIMITED (FORMERLY LONDON BLOCK EXCHANGE LIMITED)

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The proxy will vote on the under-mentioned resolutions, as indicated:-

	FOR	AGAINST
SPECIAL RESOLUTIONS		
That the Company be wound-up voluntarily	[]	[]

ORDINARY RESOLUTIONS

"That Paul Cooper and Paul Appleton of David Rubin & Partners, 26 - 28 Bedford Row, London, WC1R 4HE be, and are hereby, appointed Joint Liquidators for the purpose of the voluntary winding-up of the Company"	[]	[]
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PRINT NAME:

DATE:

SIGNATURE:

If you intend to attend the meeting, please tick this box ☐

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 - completed and signed;
 - sent or delivered to David Rubin & Partners, 26 - 28 Bedford Row, London, WC1R 4HE; and
 - received by no later than 12 noon on the business day before the meeting.
6. In the case of a member which is a company, this proxy form must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company.
7. Any power of attorney or any other authority under which this proxy form is signed (or a duly certified copy of such power or authority) must be included with the proxy form.
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11. You may not use any electronic address provided in this proxy form to communicate with the Company for any purposes other than those expressly stated.

Our Ref: PC/DE/D1026/CVL1-L9VM/Stg1

Your Ref:

David Rubin & Partners

Chartered Accountants • Licensed Insolvency Practitioners

Pearl Assurance House
319 Ballards Lane
London N12 8LY

DX 57368 Finchley 1

Telephone: 020 8343 5900
Facsimile: 020 8446 2994
E-Mail: [addressee]@drpartners.com
Website: www.drpartners.com

TO ALL KNOWN CREDITORS

29 January 2020

Dear Sir / Madam

DRAGON PAYMENTS LIMITED (FORMERLY LONDON BLOCK EXCHANGE LIMITED)
Trading Address:

The Director, having regard to the Company's financial position, has decided to take steps to place it into Creditors' Voluntary Liquidation.

This Firm is assisting the Director with this process and I would advise you that it is proposed that Mr Paul Cooper and Mr Paul Appleton, both of this Firm, who is a Licensed Insolvency Practitioners, will be appointed Joint Liquidators following the Resolution to wind-up the Company being passed by the members.

The Directors is also required to seek a Decision of the Company's creditors on the nomination of a Liquidator. Under new Insolvency Rules, a physical meeting of creditors can no longer be convened to consider this nomination, unless the required threshold of creditors requests such a meeting.

A Decision from creditors on the nomination of a Liquidator can now only be sought by the Director via a **Deemed Consent Procedure** or by holding a **Virtual Meeting**. In this case, a Virtual Meeting is being convened for 10:15am on 14 February 2020 (the **Decision Date**). Further details on the arrangements for the Virtual Meeting can be found in the Notice accompanying this letter (see below).

Creditors Decisions

The Decisions to be considered and made by creditors are set out in details in the Decision Notice and for the purpose of the meeting, please find enclosed the following documents:-

- Decision Notice setting out the Decisions to be considered at the Virtual Meeting. This includes the decision on the nomination of a Liquidator and a Decision on whether a Liquidation Committee should be established if sufficient creditors are willing to be members of a Committee.
- A Proof of Debt Form - please complete this form and return it to my office with any supporting documentation. Creditors will be entitled to vote at the Virtual Meeting only if a proof has been delivered by them to my office before 4pm on the business day before the virtual meeting.

Cont'd/....2

- A Proxy form – please note that a proxy-holder is not entitled to vote on behalf of a creditor at the virtual meeting unless a proxy form which the creditor intends to be used has been completed and delivered to my office, in accordance with Rule 15.8(1) of the Insolvency (England and Wales) Rules 2016, before the Virtual Meeting.

Statement of Affairs and Report on the Company's Financial Position

The Director is required to deliver to creditors a copy of the Company's Statement of Affairs by no later than on the business day before the Decision Date. They are also required to make available information on the financial affairs of the Company (SIP 6 Director's Report) ahead of the Decision on the nomination of a Liquidator being taken.

These documents will be sent to you separately and in due course.

Please note that David Rubin & Partners and Mr Paul Cooper and Mr Paul Appleton's roles in the period leading up to the creditors' Decision are to assist the Director in taking the necessary steps to place the Company into liquidation and do not involve advising the Directors personally on their own position. It is also possible that a different Insolvency Practitioner may be the eventual Liquidator appointed to the Company.

Proposed Liquidator's Fees and Expenses

As may be noted from the Decision Notice, the Meeting will be called upon to approve the costs of preparing the Statement of Affairs and expenses of the Decision Procedure.

We should also inform you that if a Liquidation Committee is not formed, the meeting of creditors will be asked to vote on a Decision specifying the basis upon which the Joint Liquidators are to be remunerated and how their disbursements are to be recovered. Rule 18.16(4) the Insolvency (England and Wales) Rules 2016 requires that creditors are provided at the outset with an estimate of costs for the work to be undertaken by the Joint Liquidators and, where an hourly rate is proposed, an estimate of the expected time together with details of the expenses likely to be incurred.

Creditors may appreciate that it is an extremely difficult task to provide definitive estimates as the Liquidator would at this point in time, not have had an opportunity to assess the complexities of the case. Until the Joint Liquidators has had an opportunity to take control of the Company's books and records and where applicable conducted enquiries with the Company's key personnel, he would not be aware whether there exist any causes for concern in respect of antecedent transactions, preference payments and wrongful trading which may require further investigation.

Furthermore, until the Joint Liquidators has had an opportunity to examine the quality of the Company's books and records, he would not be in a position to provide creditors with an accurate estimate of the time necessary to realise assets such as book debts which may be disputed. Similarly, the verification and agreeing of creditors' claims where a dividend is envisaged are likely to require the Joint Liquidator to devote a significant amount of time to the case.

In light of the above, the estimate provided at Appendix 2 to this letter is an overall estimate based on a typical insolvency. The estimate assumes that the liquidation will be straightforward; that the Company has maintained proper books and records; that the affairs of the Company have been properly conducted and that there are no outstanding disputes and litigation. However, there is no set time for dealing with a liquidation as it is inevitable that each case has its own set of specific issues. A case without complication may be concluded within a few months whilst a complicated case may take several years to complete. Accordingly, the estimate provided, at best, could only be viewed as a guide, although it is a ceiling that is initially binding on a Liquidator.

The estimate is also intended to be viewed on a total basis and not on the basis of the individual tasks which have been provided as a guide only. It is inevitable that provisions for some tasks will be overestimated whilst others will be underestimated and, therefore, the guide should be taken as a whole.

Paul Cooper and Paul Appleton will lead our team and if appointed as Joint Liquidator, assuming books and records are provided by the Company on a timely manner, the Joint Liquidator intends to complete an initial assessment of the Company's financial affairs and assess whether there could be any matters that may lead to recoveries for the liquidation estate and what further investigations may be appropriate. This assessment will take into account information provided by creditors and a review of the Company's financial records and bank accounts. Therefore, the Joint Liquidators reserves the right to refer back to creditors should he consider that the time cost fees estimate will be exceeded. In such case, the Joint Liquidators will provide creditors with relevant information on the reasons for this and an updated fees estimate if this proves necessary.

To view an explanatory note approved by the Joint Insolvency Committee concerning Liquidators' remuneration, please visit the Publications folder on our website at www.drpartners.com/cases using the following username and password to log in. Alternatively, please contact this office to arrange for a copy to be sent to you.

USERNAME: D1026@drco.co.uk

PASSWORD: 6201Dde*1

Insolvency Code of Ethics and SIPs

I would also draw to your attention that Insolvency Practitioners are bound by the Insolvency Code of Ethics when carrying out all professional work relating to an insolvency appointment. In addition, Office Holders are also required to observe the Best Practice directives which are set out in a series of *Statements of Insolvency Practice*, better known as the SIPs. You will find copies of all the SIPs on R3's website:

<https://www.r3.org.uk/what-we-do/publications/professional/statements-of-insolvency-practice>

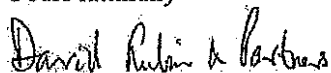
R3 (also known as the Association of Business Recovery Professionals) is the trade body for the UK insolvency profession. You may also wish to visit the following site launched by R3 specifically to guide creditors through the insolvency process: <http://www.creditorinsolvencyguide.co.uk>

Privacy and Data Protection

As part of my role as Joint Liquidator, I would advise you that I may need to access and use data relating to individuals. In doing so, I must abide by data protection regulations. Information about the way that my firm will use, and store personal data in relation to insolvency appointments can be found in the Privacy Notice in the Publication Folder on my Firm's website, details of which are as provided above. If you are unable to download this, please contact my office and a hard copy will be provided to you.

To the extent that you hold any personal data in respect of the Company's employees or other individuals, provided to you by the Company or obtained otherwise by you, you must process such data in accordance with data protection legislation. Please contact Darren Ellis of my office if you believe this applies or you require any further information or wish to discuss any aspect of the Liquidation.

Yours faithfully



DAVID RUBIN & PARTNERS

Encs.

DRAGON PAYMENTS LIMITED (FORMERLY LONDON BLOCK EXCHANGE LIMITED)

PROPOSED LIQUIDATOR'S ESTIMATE OF THE COSTS FOR THE LIQUIDATION

Paul Cooper and Paul Appleton are the Partners assigned to lead David Rubin & Partners' team for this assignment. These estimates are provided to creditors in accordance with the requirements set out in Rule 18.16(4) of the Insolvency (England and Wales) Rules 2016. It should be noted that a Liquidator's fees and disbursements are paid from realisations of the assets of the Company and where there are insignificant assets, the estimated costs of conducting the liquidation to its conclusion still have to be provided, although it may mean that the Liquidator(s) is not able to recover his costs.

Attached, at Appendix 2, is a list of the minimum tasks that a Liquidator has to carry out generally in respect of all liquidations in order to comply with Statutory Regulations and best practice directives issued by the Joint Insolvency Committee, which all Insolvency Practitioners in the U.K. are bound by and which are monitored by the Liquidator's Regulatory Body. The best practice directives are mostly set out in a series of *Statements of Insolvency Practice*, better known as SIPs and also in the Insolvency Code of Ethics which is detailed at www.icaew.com/membershandbook. You will find copies of all the SIPs on R3's website:

<https://www.r3.org.uk/what-we-do/publications/professional/statements-of-insolvency-practice>

R3 (also known as the Association of Business Recovery Professionals) is the trade body for the UK insolvency profession. You may also like to visit the following site launched by R3 specifically to guide creditors through the insolvency process: <http://www.creditorinsolvencyguide.co.uk>

We have set out against each task the time estimated to be necessary to complete each particular task properly, analysed by different grades of staff. The firm's general approach to resourcing assignments is to allocate staff with the skills and experience to meet the specific requirements of the task and case. The constitution of the case team will usually consist of a Partner, Manager, Senior Administrator and two Administrators. The exact constitution of the case team will depend on the anticipated size and complexity of the assignment and additional staff may be allocated to meet the demands of the case.

Proposed Fee Basis

At the meeting of Creditors, we will be seeking a resolution for my remuneration to be based on time costs. The estimates have been made on the assumption that the liquidation will be concluded within two years and represent the maximum fees that the Liquidators are allowed to charge unless further sanction is obtained from creditors. However, the basis of the Joint Liquidators' fees will be by reference to time properly spent in managing the liquidation by my staff and I. If the actual time taken is less than the estimates, then only the time actually incurred will be billed and drawn.

If I consider that the estimate of £49,385.00 plus VAT is likely to be exceeded and doing so would result in better prospects of recovery for the creditors, we will seek sanction for a revised estimate and explain why I perceive there to be a benefit to the creditors of approving any increase.

My firm's current hourly charge-out rates applicable to this appointment, which are charged in units of 6 minutes exclusive of VAT, are as follows:

	£
Senior / Managing Partners	550
Partners/Office holders	495
Managers / Senior Managers	350 - 395
Senior Administrators	220 - 295
Administrators	160 - 200
Cashiers and Assistants	150 - 295
Support Staff	120 - 150

ESTIMATE OF THE COSTS FOR THE LIQUIDATION – Cont'd

Chargeout rates are normally reviewed annually in November, when rates are adjusted to reflect such matters as inflation, increases in direct wage costs, and changes to indirect costs such as Professional Indemnity Insurance.

Explanations of the Estimates

The majority of the tasks listed in Appendix 2 are self-explanatory and I do not therefore propose to elaborate on these. Creditors who require further details should feel free to contact my office. However, creditors may get a better understanding of the work involved if I list out in broad terms, the various tasks involved.

Administration (including statutory compliance & reporting)

Under insolvency legislation the Liquidator must comply with certain statutory compliance requirements which may not bring any direct financial benefit to the creditors of the Company. Examples of this work include investigations required by Statement of Insolvency Practice 2 and the Company Directors Disqualification Act 1986 or dealing with the claims of former employees via the National Insurance Fund. A list of these tasks, as applicable, consists of:

- Notifying creditors of the liquidator's appointment and other associated formalities including statutory advertising and filing relevant statutory notices at Companies House.
- Opening, maintaining and managing the liquidation estate cashbook, bank account(s).
- IPS set-up - Creation and update of case files on the firm's insolvency software which includes company information, creditors, debtors and employees details.
- Securing the Company's books and records.
- Complying with statutory duties in respect of the liquidator's specific penalty bond.
- Redirection of the Company's mail to the liquidator's office.
- Pension regulatory reporting and auto-enrolment cancellation.
- Completion and filing of the notice of the Company's insolvency to HMRC.
- Dealing with former employees to provide support and assistance in lodging any claims they may be entitled to make for unpaid wages, holiday pay and other statutory entitlements from the National Insurance Fund and the Company.
- Dealing with all post-appointment VAT and corporation tax compliance.
- Liaison with secured creditors, obtaining charge documents and validating the security.
- Initial assessment required by Statement of Insolvency Practice 2 and the Company Directors Disqualification Act 1986 (CDDA) including the review of the Company's books and records and the identification of potential further asset realisations which may be pursued in the liquidation.
- Filing a statutory return to the Department for Business, Energy and Industrial Strategy (BEIS) under the Company Directors Disqualification Act 1986 ("CDDA").
- Preparing and issuing annual progress reports to members and creditors.
- Lodging periodic returns with the Registrar of Companies for the liquidation.
- Establishing and holding periodic meetings of the liquidation committee and associated filing formalities (if a committee is appointed).
- Periodic case progression reviews (typically at the end of Month 1 and every 6 months thereafter). Although these reviews are not legal requirements, Regulatory Bodies who monitor the work of Office Holders see these tasks as best practice requirements with which the Office Holders are required to comply.

ESTIMATE OF THE COSTS FOR THE LIQUIDATION – Cont'd

Investigations

SIP2 requires that the Liquidator carry out an initial assessment of the Company's financial affairs and into the conduct of the director of the Company and transactions entered into prior to the Company's insolvency, as required by the CDDA. The time estimated for this work is the minimum that is considered necessary in order to carry out any meaningful assessment. Following this initial assessment which will include considerations of any potential proceeding and recoveries, the Liquidator would then be in a position to consider whether further work is necessary in order to investigate any instances of antecedent transactions and wrongful trading.

At the time of providing this estimate it is impossible to say whether there will be any follow up enquiry into any misfeasance. However, as a Liquidator cannot be paid fees unless he has provided an estimate for the work, I have made a small estimate to cover this area in the event that some further work over and above the initial assessment might be necessary.

Realisation of assets

The liquidator will seek to realise all of the Company's assets which will be set out in the director's statement of affairs. It should be noted that the details set out below are based on the director's estimated statement of affairs and the projected realisable value of the Company's assets which at this stage is unconfirmed. As Joint Liquidator, I will undertake appropriate investigations into the Company's assets and will confirm the likely return to creditors in my first progress report.

i. Book Debts

It is extremely difficult to provide any reliable estimate on the collection of book debts as this depends on the state of the records and also on the age and quality of the debts. I have estimated my time costs based on my experience in dealing with book debt collections. I have also factored into the estimate the work required to review the position and make recoveries in respect of the client deposit monies held.

ii. Intangible Assets:

There may be an element of value attributable to the Company's intangible assets (i.e. Goodwill and Intellectual Property) if these could be sold on a going concern basis. Accordingly, an estimate has been provided for the work required to assess the value of the same and to liaise with independent agents and any prospective purchasers in this regard. This also includes assessing the position in respect of the Company's investments.

iii. Tangible Assets:

An estimate has also been provided for the work to be undertaken in dealing with the sale/disposal of the Company's tangible assets (i.e. Office Furniture and Equipment etc.).

Creditors (claims and distributions)

The Liquidator will have to deal with all secured, preferential and unsecured creditors' correspondence and claims as received, including any claims of creditors under retention of title.

The Liquidators will have to deal with queries from employees and the closing of the PAYE scheme, the issue of P45 and potential claims being submitted to the Redundancy Payment Office.

Based on current information, it is uncertain whether there will be a dividend payable to unsecured creditors. Accordingly, I have only provided an estimate for dealing with creditors' enquiries and for acknowledging their claims.

ESTIMATE OF THE COSTS FOR THE LIQUIDATION – Cont'd

EXPENSES AND DISBURSEMENTS

As also noted, I am required to provide creditors with details of the expenses I consider will be, or are likely to be, incurred in the liquidation.

Direct expenses ("Category 1 disbursements")

Category 1 disbursements as defined by SIP 9, which can be specifically identified as relating to the administration of the case, will be charged to the estate at cost, with no uplift. These include, but are not limited to, such items as case advertising, bonding and other insurance premiums and properly reimbursed expenses incurred by personnel in connection with the case.

Below is a table which outlines the expenses that I consider at this stage will be, or are likely to be incurred in dealing with the Company's affairs. I will provide update to creditors in my future progress reports.

Expense	Basis of fee arrangement	Estimated Costs
Employee claims processing	Eg, Rate per employee claim or hourly rate agreed	Uncertain
Insurance	At cost	Uncertain
Agent's costs in dealing with asset sales	Fee Fixed (re valuation) & % of realisations	£1,000 (valuation fee) & 10% of realisations
Solicitor's costs in dealing with sale of assets/property/ antecedent transactions	Time costs	Uncertain
Statutory advertising	At cost	£260
Liquidator's bond	At cost	£120
Staff related travel expenses	At cost	Nil

Indirect expenses ("Category 2 disbursements")

Category 2 disbursements require approval from creditors. These are costs which are directly referable to the appointment in question but are not payments which are made to an independent third party and may include shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis such as internal room hire, document storage or business mileage. Approval to charge these will be sought from creditors when the basis of my remuneration as Liquidator is fixed. The Category 2 disbursements which this firm proposes to charge in this case are unlikely to exceed £2,000 overall and are as follows:-

Headed paper	25p per sheet
Photocopying	6p per sheet
Envelopes	25p each
Postage	Actual cost
Meeting room facility	£150

ESTIMATE OF THE COSTS FOR THE LIQUIDATION – Cont'd

Storage and Archiving Charges

We use a commercial archiving company for storage facilities for companies' records and papers. This is recharged to the estate at the rate of £10 per box per quarter, and includes a small charge to cover the administration costs of maintaining the archiving database and retrieval of documents. We also use our own personnel and vehicle for collection of books and records for which we charge £50 per hour.

Travel

Mileage incurred as a result of any necessary travelling is charged to the estate at HM Revenue & Customs approved rate, currently 45p per mile.

APPENDIX 2

DRAGON PAYMENTS LIMITED (FORMERLY THE LONDON BLOCK EXCHANGE LTD)

PROPOSED LIQUIDATORS' ESTIMATE OF TIME COSTS							
Classification of work function	Hours					Total Cost £	Average hourly rate £
	Partners	Manager / Senior Manager	Admin / Senior Admin	Cashiers	Total hours		
Statutory compliance, admin and planning							
IPS set up & maintenance	00:00	01:00	06:00	00:00	07:00	1,435.00	205.00
Statutory filings, circulars, notices, etc.	01:00	03:00	09:00	00:00	13:00	3,320.00	255.38
Case planning, strategy & control	02:00	02:00	02:00	00:00	06:00	2,370.00	395.00
Taxation: PAYE, C/Tax & VAT	01:00	02:00	06:00	00:00	09:00	2,405.00	267.22
Accounting & Cashiering	00:00	00:30	03:00	04:00	07:30	1,747.50	233.00
Case reviews & Diary maintenance	01:00	04:00	08:00	00:00	13:00	3,515.00	270.38
Statutory reporting and compliance	01:00	04:00	10:00	00:00	15:00	3,915.00	261.00
Investigations							
CDDA preparation & reporting	02:00	03:00	10:00	00:00	15:00	4,015.00	267.67
SIP2 assessment and financial review	01:00	04:00	10:00	00:00	15:00	3,915.00	261.00
Antecedent transactions & wrongful trading	01:00	02:00	06:00	00:00	09:00	2,365.00	262.78
Realisation of assets							
Intangible assets	05:00	05:00	04:00	00:00	14:00	5,250.00	375.00
Tangible assets	01:00	02:00	04:00	00:00	07:00	2,085.00	297.86
Shares & Investments	01:00	02:00	02:00	00:00	05:00	1,875.00	375.00
Book debts / Client deposit recoveries	02:00	02:00	04:00	00:00	08:00	2,580.00	322.50
Creditors & distributions							
Unsecured Creditors: correspondence & claims	04:00	06:00	18:00	00:00	28:00	7,550.00	269.64
Preferential creditors & employees	00:30	01:00	02:00	00:00	03:30	1,042.50	297.86
Total hours and costs	23:30	43:30	104:00	04:00	175:00	49,385.00	282.20

**NOTICE OF DECISIONS BEING SOUGHT FROM CREDITORS
BY A DECISION PROCEDURE – VIRTUAL MEETING**

DRAGON PAYMENTS LTD (FORMERLY LONDON BLOCK EXCHANGE LIMITED)
(the Company)
Registered Number - 10966096

This notice is given pursuant to Part 6 and 15 of the Insolvency (England and Wales) Rules 2016 (the Rules).

THE PROPOSED DECISIONS

Benjamin Dives, the director of the Company, in his capacity as the Chair of the Company's Board of Directors (the **Convener**), gives notice that a Virtual Meeting of the Company's creditors is to be held at 10:15am on 14 February 2020 (the **Decision Date**) for the purpose of considering and making the following proposed Decisions:-

1. **THAT** creditors decide on the nomination of a Liquidator. It is proposed that Paul Cooper, and Paul Appleton of David Rubin & Partners, 26 - 28 Bedford Row, London, WC1R 4HE, be appointed Joint Liquidators.
2. **THAT** the unpaid pre-appointment costs of David Rubin & Partners as detailed below be approved for payment.
3. **THAT** the Joint Liquidators' remuneration be fixed by reference to the time spent by themselves and their staff in attending to matters arising in the winding-up, as detailed in the fees estimate/information provided to creditors with the Decisions Notice to creditors, and that the Joint Liquidators be authorised to draw their remuneration on account as and when funds permit.
4. **THAT** the Joint Liquidators be authorised to draw category 2 disbursements on the basis of his firm's published tariff, as disclosed to creditors and that the Joint Liquidators be authorised to be reimbursed such disbursements as and when funds permit.
5. **Whether** a liquidation committee should be established if sufficient creditors are willing to be members of a committee and if so, who the creditors wish to nominate for membership of the committee. Information on the role of a liquidation Committee can be found in the Publications folder on David Rubin & Partners' website at www.drpartners.com/cases using the following username and password to log in:-

USERNAME: D1026@drco.co.uk

PASSWORD: 6201Dde*!

Access details

It is proposed that the Virtual Meeting will be by Telephone Conferencing, hosted by David Rubin & Partners. For security reasons and to limit access to only those who are entitled to participate in the Decision Procedure, if you wish to join the meeting, for access details, please telephone Kyer Cooper of David Rubin & Partners on 020 7400 7900 quoting reference PC/DE/KC/D1026.

The Virtual Meeting may be suspended or adjourned by the chair of the meeting (and must be adjourned if it is so resolved at the meeting).

Entitlement to vote

In order to be entitled to vote at the meeting (either in person or by proxy), creditors must have submitted a proof in respect of their claim to the Convener via the contact details below, by no later than 4pm on the business day immediately before the meeting.

Any creditor entitled to attend and vote at the meeting is entitled to do so either in person or by proxy and a form of proxy is enclosed with the letter accompanying this notice. If you cannot attend and wish to be represented at the meeting, a completed proxy form must be delivered to the Convener via the contact details below, prior to the meeting.

Creditors' committee – nominations

Any nominations for membership of the committee will only be accepted if the Convener is satisfied as to the nominee's eligibility to be a member of such committee under Rule 17.4 of the Rules. Please note that nominations for membership can also be made on the proxy form accompanying this notice.

Under Rule 17.4, a creditor is eligible to be a member of such a committee if the creditor has proved for a debt, the debt is not fully secured and the proof has not been wholly disallowed for voting purposes or wholly rejected for the purpose of distribution or dividend. Please note that a person cannot be a member as both a creditor and a contributory and whilst a body corporate may be a member of a creditors' committee, it can only act through a representative appointed under Rule 17.17.

Complaint in relation to conduct of the meeting

Any person who claims to be an excluded person or attends the meeting and claims to have been adversely affected by the actual, apparent or claimed exclusion of another person, may make a complaint in accordance with Rule 15.38 of the Rules. Such a complaint must be made by no later than 4pm on the business day following the meeting, or where the complainant has sought an indication of what occurred during the period of exclusion, under Rule 15.37, by no later than 4pm on the business day following the complainant receiving the indication.

Appeal of Convener's decision

Pursuant to Rule 15.35 of the Rules, any creditor may apply to the court to appeal a decision of the Convener. However, an appeal must be made within 21 days of the Decision Date.

Creditor information

A list of the names and addresses of the Company's creditors will be available for inspection, free of charge, by David Rubin & Partners at 26 - 28 Bedford Row, London, WC1R 4HE on the two business days immediately before the Decision Date.

Resolution that the Company be wound up voluntarily

The Written Resolutions that the Company be wound up voluntarily will be counted by the Convener, or on his behalf, on the Decision Date, in order to ascertain whether the requisite majority has been obtained.

Statement of Affairs

Pursuant to Section 99 of the Insolvency Act 1986, the directors of the Company are required before the Decision Date and before the end of the period of 7 days beginning with the day after the day on which the Company passes a resolution for winding up, to make out a statement (in the prescribed form) as to the affairs of the Company and to send the same to the Company's creditors.

Pre-appointment costs

The services provided by David Rubin & Partners (DRP) were requested by the directors and given for the benefit of creditors of the Company. The Insolvency (England and Wales) Rules 2016 provide that any reasonable and necessary expenses associated with these services may be paid out of the Company's assets after the commencement of the liquidation as an expense of it. If approval for the costs as an expense of the liquidation is sought, this must be from any liquidation committee (if appointed) or if no committee, from creditors.

On behalf of the Company, the directors have approved the pre-appointment costs as a set amount of £6,000 plus VAT and disbursements in respect of assistance to be rendered in connection with the steps necessary to place the Company into liquidation, which includes the preparation of the Statement of Affairs, a brief report on the financial position of the Company including the events leading up to its failure, and assistance given to the directors to deal with the work required to seek a Decision of the Company's creditors over the nomination of a Liquidator.

The work for placing a company into liquidation is *prescriptive*, that is to say, all the steps are set out in the Companies Act, the Insolvency Act and Insolvency Rules plus related regulations. You will find on the attached Appendix a list of the tasks that DRP have to carry out and the documents that they have to prepare in order to place the Company into liquidation and seeking a Decision of the creditors.

The preparation of a Statement of Affairs for the Company includes reviewing the Company's accounting records, liaising with agents where necessary to establish values for any assets owned by the Company and liaising with the Company's accountants, bankers, director(s) and staff as necessary to enable this document to be prepared and verified ahead of the Decision Date. This may include instructing the Company's accountants to assist in this process, in which case, their costs will also be reflected above.

The costs associated with seeking a decision from the Company's creditors on the nomination of a liquidator, include making available information on the financial affairs of the Company in order that creditors can make an informed decision. The decision-making process involved liaising with the director(s) to understand the Company's relevant trading activity and financial history in the period leading up to liquidation and reviewing and extracting company/accounting information in order to prepare the necessary paperwork and circulating creditors with the decision-related documentation on behalf of the director(s).

I consider that the set fee agreed with the director(s) and proposed for approval by creditors as an expense of the liquidation represents a fair and reasonable value of the overall work DRP have to carry out to assist the director(s) to place the Company into liquidation.

Creditors with a small debt

Any creditor whose debt is treated as a small debt (less than £1,000 inclusive of VAT) must still deliver a proof of debt in respect of their claim with their proxy form if they wish to vote on the Proposed Decisions at the meeting.

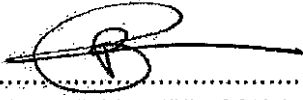
Request for a physical meeting

Insolvency legislation also provides that creditors who meet certain thresholds, namely 10% in value of creditors, 10% in number of creditors or 10 creditors, may require a physical meeting to be held to consider the Proposed Decisions. Such a request must be made in writing to the Convener by the meeting on the Decision Date. To enable the Convener to determine whether a threshold has been met, please also provide a proof with any request at the latest by Noon on 13 February 2020.

Contact details

Documents required to be delivered to **(the Convener)** pursuant to this notice can be sent by post to David Rubin & Partners, 26 - 28 Bedford Row, London, WC1R 4HE. Regrettably, our current IT infrastructure is not geared to dealing with communication of this nature by email. Any person who requires further information may contact by telephone on 020 7400 7900.

Dated: 29 January 2020

Signed: 
BENJAMIN DIVES - CONVENER

Return to:-

David Rubin & Partners
26 - 28 Bedford Row
London WC1R 4HE

DRAGON PAYMENTS LIMITED (FORMERLY LONDON BLOCK EXCHANGE LIMITED)

Case Ref: PC/DE/D1026/CVL1-4a

Name of Creditor:- _____

Address:- _____

The following are enclosed:-

Tick where applicable

- | | |
|-------------------------|-----|
| 1. Statement of Account | () |
| 2. Proof of Debt | () |
| 3. Proxy Form | () |

Retention of Title

- | | |
|---|-----|
| 4. We will not be claiming retention of title | () |
| 5. We are claiming retention of title and attach the followings:- | () |
| a) Copy of Trading Conditions | [] |
| b) The Company's acknowledgement of trading conditions | [] |
| c) Copy of signed orders | [] |

DATE: _____

Note: To ensure your claim is registered, please complete and return these documents prior to the creditors' meeting

* Insert the name
of the company.

Proxy (Creditors' Voluntary Winding Up)

IN THE MATTER OF: **DRAGON PAYMENTS LIMITED (FORMERLY
LONDON BLOCK EXCHANGE LIMITED)**

and

IN THE MATTER OF THE INSOLVENCY ACT 1986

Notes to help completion of the form.

Please give full name and
Address for communication.

Name of Creditor/Member _____

Address _____

Please insert name of person (who
must be 18 or over) or the "chairman
of the meeting" (see note below). If
you wish to provide for alternative
proxy-holders in the circumstances
that your first choice is unable to
attend, please state the name(s) of the
alternative(s) as well.

Name of Proxy
holder _____

1. _____

2. _____

3. _____

Please delete words in brackets if the
proxy-holder is only to vote as
directed i.e. he/she has no discretion.

I appoint the above person to be my/the creditor's/member's proxy-holder at the meeting
of creditors/members to be held on **14 February 2020** or any adjournment of that
meeting. The proxy-holder is to propose or vote as instructed below [and in respect of
any resolution for which no specific instruction is given, may vote or abstain at his/her
discretion].

Decisions: Voting instructions

Please complete paragraph 1
if you wish to nominate or vote
for a specific person or liquidator.

1. For the appointment of _____
as liquidator of the Company.

Please delete words in brackets if the
proxy-holder is only to vote as
directed i.e. he has no discretion.

[In the event of a person named in paragraph 1 withdrawing or being eliminated from
any vote for the appointment of a liquidator, the proxy-holder may vote or abstain in any
further ballot at his/her discretion]

Any other resolutions which the
proxy-holder is to propose or vote in
favour of or against should be set out
in numbered paragraphs in
the space provided below paragraph 1.
If more room is required please use
the other side of this form.

This form must be signed.

Signature _____ Date _____

Name in CAPITAL LETTERS _____

Only to be completed if the
creditor/member has not signed in
person.

Position with creditor/member or other authority for signature

Note: if you nominate the Chairman of the meeting to be your proxy-holder he will either be a
director of the company or the current liquidator.

Ref: PC/DE/D1026/CVL1-4a/STG1

There may be resolution on the other side of this form.

PROOF OF DEBT - GENERAL FORM

**IN THE MATTER OF: DRAGON PAYMENTS LIMITED (FORMERLY LONDON BLOCK
EXCHANGE LIMITED)**

and

IN THE MATTER OF THE INSOLVENCY ACT 1986

Date of Virtual Meeting: 14 February 2020

1.	Name of Creditor. (Please include Company Registration Number if creditor is a registered company)	
2.	Address of Creditor.	
3.	Total amount of Claim, including any VAT, as at the date the Company went into liquidation.	£
4.	Details of any document by reference to which the debt can be substantiated. [note: the Liquidator may call for any document or evidence to substantiate the claim at his discretion].	
5.	Particulars of how and when debt was incurred. (If you need more space, please append a continuation sheet to this form)	
6.	Particulars of any security held, the value of the security, and the date it was given.	£
7.	Particulars of any reservation of title claims in respect of goods supplied.	
8.	Signature of creditor or person to act on his behalf Name in BLOCK LETTERS Position with or relation to creditor	

FOR OFFICE USE ONLY

Admitted to vote for £

Date

Liquidator

CR-2019-001356

IN THE HIGH COURT OF JUSTICE
BUSINESS AND PROPERTY COURTS OF ENGLAND AND WALES
INSOLVENCY AND COMPANIES LIST

IN THE MATTER OF LONDON BLOCK EXCHANGE LIMITED ('the Company')
AND IN THE MATTER OF A WINDING UP PETITION
AND IN THE MATTER OF THE INSOLVENCY ACT 1986

BETWEEN:

SQUIRE PATTON BOGGS (UK) LLP

Petitioner

-and-

LONDON BLOCK EXCHANGE LIMITED

Respondent

PETITIONER'S SKELETON ARGUMENT
HEARING: 31ST JANUARY 2020 AT 14:00

A. INTRODUCTION

1. This is the hearing of the Petition to wind up the Respondent Company, London Block Exchange Limited ("**LBEL**").
2. The Applicant presented a petition to wind up LBEL to this court on 25 February 2019 ("**the Petition**").
3. LBEL issued an application on 23 January 2020 which it is understood will also be before the court ("**the Application**").
4. The following witness statements have been filed in the Petition:

- a. Second witness statement of Russell Hill dated 1 May 2019 on behalf of the Petitioner;
- b. First witness statement of Benjamin Dives dated 9 April 2019 on behalf of LBEL;
- c. Second witness statement of Benjamin Dives dated 15 May 2019 on behalf of LBEL;
- d. Witness statement of Jonathan Sandelson dated 15 May 2019 on behalf of LBEL;
- e. Third witness statement of Russell Hill dated 1 August 2019 on behalf of the Petitioner;
- f. Fourth witness statement of Russell Hill dated 27 January 2020 on behalf of the Petitioner.

B. FACTUAL BACKGROUND

5. The background to this dispute is contained within the above witness statements. In short, the Petitioner provided legal services to LBEL, for which the Petitioner produced interim statutory bills dated 29 March 2018 and 25 April 2018 that remain unpaid (“**the Invoices**”).
6. By way of emails LBEL acknowledged the work carried out, thanked the Petitioner for the ‘excellent’ work, and made written promises to pay the interim statutory bills¹ (both before and after the Petition was presented).
7. Following presentation of the Petition (and more than 12 months after the first invoice), LBEL claimed that there was no retainer between the Petitioner and LBEL and that the Invoices “*did not comply with Section 69 of the 1974 Solicitors Act and do not constitute a Final Solicitors Bill under the 1974 Solicitors Act*”. LBEL issued a claim in the Senior Court Costs Office in support of that assertion (“**the SCCO Proceedings**”).
8. At the first hearing of the Petition on 10 April 2019 the Petition was adjourned.

¹ See Second witness statement of Russell Hill

9. The Petition came before this court on 2 August 2019 for directions. At that hearing LBEL made an application (issued shortly beforehand) to delay hearing of the Petition until after 6 September 2019 when the SCCO Proceedings had been heard (**“the June 2019 Application”**). There was no hearing date available before 6 September 2019 in any event therefore the June 2019 Application was otiose. The matter was listed for the first available date after 1 December 2020 in order to accommodate the court listing.
10. At a hearing on 6 September 2019 in the SCCO Proceedings, listed to determine the preliminary issue of whether any valid/enforceable retainer existed, Master Rowley found that a valid and enforceable retainer did exist² and that the bills served by the Petitioner were interim statute bills such that they were due and payable. Master Rowley gave directions for the assessment of costs and provided for either party to request a hearing after 25 October 2019.
11. On 16th October 2019 the Petitioner served its points of dispute and invited LBEL to request a hearing in accordance with paragraph 6 of the Order.
12. On 29th October 2019 the Petitioner sought confirmation that LBEL had requested a hearing in their SCCO proceedings. LBEL failed to request a hearing.
13. On 7th November 2019 the Petitioner wrote again, by way of email to LBEL’s costs lawyer, Paul White, seeking confirmation that LBEL was intending to make an application for a hearing and warning specifically that, due to the existence of the Petition, the Petitioner was not prepared to let the matter be delayed further.
14. As LBEL failed to make an application for assessment of the Petitioner’s costs, the Petitioner made an application for a hearing and paid the court fee, in order to progress LBEL’s SCCO proceedings.

² In fact, the author understands that the Master did not even countenance hearing argument on this point and declared that the evidence overwhelmingly confirmed a retainer at the outset of the hearing.

C. THE LEGAL TEST ON AN APPLICATION TO WIND UP A COMPANY

15. A company may be wound up if it is unable to pay its debts as they fall due; **s.122(1)(f) IA 1986**.
16. A company is unable to pay its debts as they fall due if a creditor makes demand for a debt in the prescribed form and the company fails to make payment and/or it is proved to the satisfaction of the Court that the company is unable to pay its debts as they fall due; **s.123 IA 1986**.
15. It is well-established that where the court is faced with a debt that is disputed in the insolvency courts, the approach is similar to that taken on a summary judgment application under **CPR 24**, the question being whether there is a genuine issue raised which needs to be decided at a trial rather than being capable of being dismissed at the hearing as having no real substance to it: per Nugee J in **Hayes v Hayes** [2014] EWHC 2694³.
17. A winding up order will not be made if the company has a genuine and serious cross claim in an amount which would reduce the petition debt below £750; **Re Bayoil SA** [1998] BCC 988.

³ Although Nugee J was in that case dealing with a cross-claim rather than a dispute as to the petition debt, the principles as summarised by Nugee J apply equally where the petition debt is disputed: see **Baker v LSREF III Wight Ltd** [2016] BPIR 509.

D. SUBMISSIONS

Inability to pay debts as they fall due

18. The Petitioner has a liquidated debt that is due and payable. The detail of the debt is important: there was a prospective agreement as to the amounts payable by LBEL in respect of the works undertaken by the Petitioner. Those works now form the subject of the Invoices⁴. Therefore, the Petition can be presented in respect of this debt and there is no need to await the outcome of the assessment; *Truex v Toll* [2009] EWHC 396 (Ch) at [32]. That disposes of the Application.
19. The Invoices have been outstanding since April/May 2018 and LBEL has failed to make payment. Accordingly, the court can conclude that LBEL is unable to make payment of its debts as they fall due.
20. Although the Petitioner did not serve a statutory demand⁵, some of the supporting creditors have, examples can be produced at the hearing if necessary. The supporting creditors' debts remain outstanding further demonstrating an inability to pay debts as they fall due, on a cash flow basis.
21. LBEL is also balance sheet insolvent.

No dispute as to the debt

22. The only challenges to the Petitioner's debt raised by LBEL were the allegations that there was no retainer between the Petitioner and LBEL and that the Invoices "*did not comply with Section 69 of the 1974 Solicitors Act and do not constitute a Final Solicitors Bill under the 1974 Solicitors Act*"⁶. Those challenges have been dispelled by Master Rowley.

⁴ See paragraphs 6 – 24 of the Second Witness Statement of Russell Hill and the exhibits thereto.

⁵ There is of course no requirement to serve a statutory demand, a court can conclude that a company is unable to pay its debts as they fall due without the need for a statutory demand, simply on the basis that the company has failed to make payments of invoices due.

⁶ As per the June 2019 Application

23. In the circumstances it is submitted that there is no dispute as to the debt.
24. LBEL only sought an adjournment until after 6 September 2019 and until the outcome of the hearing before Master Rowley was known. That of course makes sense, because LBEL's only challenge was as set out at paragraph 20 above, which was all to be resolved by the hearing on 6 September 2019.
25. There is no further reason to delay the hearing of the Petition. There is no genuine dispute as to the debt and the Application is merely a last-ditch attempt to delay the inevitable.

E. SUPPORTING CREDITORS

26. The Petition is of course a class action.
27. There are now 13 other creditors supporting the Petition (some of which are employees or former directors), with debts totalling over £1m.
28. Any further delay to the hearing of the Petition prejudices the creditors as a whole. The creditors have already been subject to significant delay as a result of the SCCO Proceedings, which turned out to be a fruitless exercise for LBEL. It is submitted that this was merely a delaying tactic in any event.
29. The following matters are a cause for concern to creditors:
- a. On 26 July 2019, only one week before the last hearing, LBEL changed its name to Dragon Payments Limited.
 - b. On 21 February 2019, LBEL filed notice at Companies House of a change in control of LBEL and of share transfers, backdated to 1 June 2018, prior to the Petition being presented.
 - c. In 2019 Benjamin Dives set up two new companies, namely LBX Securities Limited (company number: 11930187) and LBX PEG Ltd (company number: 11784655).

F. CONCLUSION

30. For the reasons set out above, the Court is invited to dismiss the Application and proceed to hear the Petition and wind up LBEL.
31. It is submitted that there is no need to await the outcome of the assessment in the SCCO Proceedings because the Petitioner has a liquidated debt to the extent of the sums agreed on the basis on *Truex*.
32. In any event, LBEL should not be able to benefit from a failure to prosecute its own application. LBEL applied for the SCCO Proceedings but then failed to seek an assessment following the hearing on 6 September 2019. It is submitted that this was merely a delaying tactic in an attempt to prevent a hearing of the Petition.

29 JANUARY 2019

**KATE ROGERS
RADCLIFFE CHAMBERS**



CR-2019-001356

Order for Winding Up

**IN THE HIGH COURT OF JUSTICE
BUSINESS AND PROPERTY COURTS OF ENGLAND AND WALES
INSOLVENCY AND COMPANIES LIST (ChD)**

Insolvency and Companies Court Judge Barber

**In the matter of Dragon Payments Ltd (Formerly LONDON BLOCK EXCHANGE LTD)
10966096**

AND

IN THE MATTER OF THE INSOLVENCY ACT 1986

UPON THE PETITION OF 1. Squire Patton Boggs (UK) LLP, creditors of the above named Company, presented to this court on 25 February, 2019

AND UPON READING THE EVIDENCE

AND UPON HEARING Counsel for the Petitioning Creditor and, Counsel for the Respondent Company

IT IS ORDERED THAT Dragon Payments Ltd (Formerly LONDON BLOCK EXCHANGE LTD) 10966096 be wound up by this court under the provisions of the Insolvency Act 1986

AND THE COURT BEING SATISFIED on the evidence that the EC Regulations on Insolvency Proceedings does apply and that these are main proceedings within the meaning of the Regulation

AND IT IS ORDERED THAT the costs of petitioner of the said petition be paid out of the assets of the company

Dated: 31 Jan 2020

Note: One of the Official Receiver(s) attached to the court is by virtue of this order liquidator of the company

Reasons (EC Regulation on Insolvency Proceedings): the petition and evidence verifying the petition assert that the company's centre of main interest is in the United Kingdom. In the absence of any challenge to that evidence or indication that the company's centre of main interest is elsewhere, the court accepts the petitioner's contention

THURSDAY



QIQ 06/02/2020 #25
COMPANIES HOUSE

To: Squire Patton Boggs (UK) LLP, Rutland House, 148 Edmund Street, Birmingham, B3 2JR,
DX 708610 Birmingham 17 Ref: RH13

COMPANIES COURT

Notice of Order

IN THE HIGH COURT OF JUSTICE

No. 14 (Rule 38)

BUSINESS AND PROPERTY COURTS OF ENGLAND AND WALES

Notification to

Official Receiver

INSOLVENCY AND COMPANIES LIST (ChD)

of Order pronounced on Petition for

winding up

To the Senior Official Receiver of the Court

21 Bloomsbury Street

London

WC1B 3SS

Petition No. CR-2019-001356

Order pronounced this day by Insolvency and Companies Court Judge Barber for winding up
the undermentioned COMPANY under The Insolvency Act 1986.

Name of COMPANY: 1. 1. LONDON BLOCK EXCHANGE LTD

Registered Office of COMPANY	Petitioner's Solicitor	Date of Presentation of Petition
LONDON BLOCK EXCHANGE LTD,	Squire Patton Boggs (UK) LLP Squire Patton Boggs (UK) LLP, Rutland House, 148 Edmund Street, Birmingham, B3 2JR, DX 708610 Birmingham 17	25 February, 2019

Date: 31-01-2020

Reference: **LQD5586237**

NOTCH

**Pursuant to Section 130(1) of the Insolvency Act 1986
and Rule 7.22(2) of the Insolvency (England and Wales) Rules 2016**

**S.130(1)
R7.22(2)**

The Registrar of Companies
Liquidation Section
Room 1.03
Companies House
Crown Way
Cardiff
CF14 3UZ

For official use

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Company Number

10966096

Name of Company
DRAGON PAYMENTS LTD

I, S Rose, Official Receiver and Liquidator, of 16th Floor, 1 Westfield Avenue, LONDON
enclose a copy of the court's notice of the winding-up order made against the company on
31 January 2020 for filing on the company's file.

I also enclose a copy of the winding-up order for filing on the company's file.

Date 3 February 2020

S Rose

 **S Rose**
Official Receiver and Liquidator

For Official Use	
Liquidation Section	Post Room





THE
GAZETTE
OFFICIAL PUBLIC RECORD

Published by Authority | Est 1665

Notice details

Type:

Corporate Insolvency
> Winding-Up Orders

Publication date:

6 February 2020, 11:01

Edition:

The London Gazette

Notice ID:

3485782

Company number:

10966096

Notice code:

2452

Issue number:

62912

Page number:

2280

About Winding-Up Orders notices

Winding-Up Orders

DRAGON PAYMENTS LTD

(Company Number 10966096)

Registered office: Kemp House, 160 City Road, LONDON, EC1V 2NX

In the High Court Of Justice

No 001356 of 2019

Date of Filing Petition: 25 February 2019

Date of Winding-up Order: 31 January 2020

S Rose 16th Floor, 1 Westfield Avenue, LONDON, E20 1HZ, telephone: 0300 678 0016

Capacity of office holder(s): Liquidator

31 January 2020

Notice timeline for DRAGON PAYMENTS LTD (10966096)

Petitions to Wind Up (Companies)

19/03/2019

Winding-Up Orders

06/02/2020

Appointment of Liquidators

24/02/2020

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JOHNNY SANDELSON

3 February 2020

Dear Official Receiver

Dragon Payments Limited – in Compulsory Liquidation formerly trading as London Block Exchange

I am aware that the above Company was wound up in Court on 31 January 2020.

I am the Company's most significant creditor and am currently owed £3,657,294.97. Please find attached my proof of debt with a supporting list of all payments made and the dates these payments occurred.

I am extremely concerned about the recovery of my funds. Furthermore the Company provided cyber currency services to its clients and a liquidator must be appointed urgently to recover all funds.

Please take this letter as confirmation that I have instructed Paul Cooper and Paul Appleton of David Rubin & Partners to seek an urgent Secretary of State Appointment and nominate them with my £3.657m debt.

Kind regards



Jonathan Sandelson

johnny@sandelson.com
+44(0)7767872280

211 Westbourne Grove
Notting Hill
W11 2SE

Reference: **LQD5586237**

The Insolvency (England & Wales) Rules 2016

Rule 7.57

CERTIFICATE OF APPOINTMENT OF LIQUIDATOR BY THE SECRETARY OF STATE

REFERENCE: LQD5586237

IN THE HIGH COURT OF JUSTICE

001356 of 2019

COMPANY NUMBER: 10966096

RE: DRAGON PAYMENTS LTD

IN LIQUIDATION

THIS IS TO CERTIFY that

Mr Paul Steven Cooper of DAVID RUBIN & PARTNERS LLP of 26-28 Bedford Row,
LONDON, WC1R 4HE

and

Mr PAUL ROBERT APPLETON of DAVID RUBIN & PARTNERS LLP of 26-28 Bedford
Row, LONDON, WC1R 4HE

have been appointed as joint liquidators with effect from 4 February 2020.

The joint appointees are to act such that one or more may act for the other.

On behalf of the Secretary of State

Y Hill

Date: 4 February 2020



THE
GAZETTE
OFFICIAL PUBLIC RECORD

Published by Authority | Est 1665

Notice details

Type:

Corporate Insolvency
> Appointment of Liquidators

Publication date:

24 February 2020, 1:01

Edition:

The London Gazette

Notice ID:

3501045

Company number:

10966096

Notice code:

2454

Issue number:

62926

Page number:

3490

Appointment of Liquidators

In the High Court of Justice

Court Number: CR-2019-001356

DRAGON PAYMENTS LTD

(Company Number 10966096)

Trading Name: LBX

Previous Name of Company: London Block Exchange Limited

Registered office: 1st Floor, 26-28 Bedford Row, London, WC1R 4HE

Principal trading address: Kemp House, 160 City Road, London, EC1V 2NX

Notice is hereby given, pursuant to Rule 7.59 of the Insolvency (England and Wales) Rules 2016, that Joint Liquidators have been appointed to the Company by the Secretary of State.

Creditors of the Company are required to send in their full names, their addresses and descriptions, full particulars of their debts or claims and the names and addresses of their solicitors (if any) to the Joint Liquidator of the Company, and if so required by notice in writing, to prove their debts or claims at such time and place as shall be specified in such notice, or in default shall be excluded from the benefit of any distribution.

Date of Appointment: 4 February 2020

Office Holder Details: *Paul Cooper* (IP No. 15452) and *Paul Appleton* (IP No. 8883) both of David Rubin & Partners, 26-28 Bedford Row, London, WC1R 4HE

Contact details for Joint Liquidators: Tel: 020 7400 7900. Alternative contact: Darren Ellis.

Paul Cooper, Joint Liquidator

21 February 2020

Ag PG111640

Notice timeline for DRAGON PAYMENTS LTD (10966096)

[Petitions to Wind Up \(Companies\)](#)

19/03/2019

[Winding-Up Orders](#)

06/02/2020

Appointment of Liquidators

24/02/2020

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London Block Exchange - Insolvency Service - for Mr Trevor Smith 14.8.20

BACKGROUND

Summary

London Block Exchange (LBX) was a fintech company focused on solving the understanding, accessibility and transparency of cryptocurrency in the UK. It had a proprietary smartphone app that allowed customers to buy and sell Bitcoin and other cryptocurrencies through a payment gateway by using their UK based Faster Payments enabled bank account and it created educational content aimed at the crypto-curious.

LBX was primarily involved in two distinct tasks:

- Software development
- Acting as a legitimate gateway for consumers to easily buy and sell cryptocurrency.

LBX's banking was provided through a company called CFS-Zipp which is licenced and regulated 'E-Money' provider and itself interfaced with ClearBank which is a regulated clearing bank. Under the terms of its commercial agreement LBX became a registered agent of CFS-Zipp which allowed it to whitelabelled the banking services to LBX's customers who were unaware of either the CFS-Zipp or Clearbank brands.

Although LBX's understanding was that CFS-Zipp would provide a computer integration with their systems (known as an API) this never materialised and in fact CFS-Zipp processed all payments manually and only between 10am and 5pm. This caused a barrier to growth for LBX.

From time to time, LBX was late paying CFS-Zipp's monthly fees. When this happened, CFS-Zipp would typically freeze client monies and refuse to execute until its outstanding fees were settled. This was a point of dispute because LBX believed (and I still believe) that this tactic was not available to CFS-Zipp because the funds were client monies and not LBX's monies.

The LBX smartphone app was developed by two companies: EY-Seren (part of EY - Ernst and Young) and Digital Detox.

EY-Seren developed the user interface and Digital Detox developed the software code.

The smartphone app was released on the iPhone App store and Android Play store in early 2018.

Incremental software development was undertaken by a combination of in-house and external contractors and continued to be worked on until right up to the liquidation.

The software codebase was version controlled and stored using the industry standard Github service and has been handed over as an asset of the liquidation.

LBX offered its customers the ability to buy and sell cryptocurrency. The back-end 'exchange system' which quoted prices and implemented trades was provided on a whitelabelled platform basis by AlphaPoint, a US based firm, specialising in providing cryptocurrency exchange platforms to firms like LBX.

Regrettably, the AlphaPoint system was beleaguered with technical problems.

===Subject to special confidentiality provision===

In March/April 2019 AlphaPoint reported that their system had been hacked, LBX and it's customers had lost circa \$50,000. LBX was strictly prohibited from disclosing this to any third parties including its customers. A dispute ensued with AlphaPoint claiming it was owed monies, and LBX maintaining that no monies were owed due the platform not being fit for purpose, and furthermore that AlphaPoint should reimburse LBX for the monies lost due to the reported hacking. This was settled prior to the liquidation under pressure with LBX agreeing not to press the matter in return for AlphaPoint agreeing no further

monies were due. As part of the agreement, the AlphaPoint reported hack may not be disclosed to third parties.

===

MAIN INSOLVENCY TIMELINE

End Jan 2019	LBX had been originally financed by its major shareholder Johnny Sandelson who provided it with both initial capital and monthly working capital in the form of long term debt. Towards the end of January 2019 (precise date unknown) Mr Sandelson reported that he was no longer in a position to continue to lend the company money. I set about restructuring LBX's overhead base and reduced costs in the follow primary ways: • I reduced the headcount by 30% • Existing staff agreed to take a temporary pay cut • We moved to cheaper offices • I cut incidental costs where possible • I paused any development projects that were not critical to the core business Simultaneously with the above, I began the process of looking for alternative funding. Finally, I also quickly engaged with David Rubin & Partners, licensed insolvency practitioners.
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6 Feb 2019	First meeting with Paul Cooper from David Rubin & Partners (approximately ten days after Mr Sandelson had informed me that he was no longer in a position to support LBX financially). Mr Cooper explained to me and I understood that since LBX was in financial difficulty, my duty as Director was to act in the interests of the creditors and not the shareholders. Under his guidance I communicated with the creditors and maintained an approach to resolving the challenges that focused on bringing in the capital needed to right the ship. Mr Cooper also advised that since in his view LBX was in the process of being sold then also in his view it was not insolvent. I continued to look for investors and potential buyers. On an ongoing basis I regularly checked in with Mr Cooper to establish whether the business was trading insolvent and every time he advised that LBX was not trading whilst insolvent. A man calling himself Russel Hill called me out of the blue, saying he was from SPB, and said the following (to the best of my recollection): “I’m the guy that calls you before the the bad debt department gets nasty. Can I recommend that we have a hour’s meeting and I go through all of your finances with you?” The whole tone of the phone call was very surprising and did not seem appropriate. It later turned out that Mr Hill wanted to put LBX into a controlled liquidation process so that it could be bought back by one of SPB’s referrals, a company called Resolve. By this stage SPB reported that the original debt of £9,900 had grown to some £13,000. Mr Sandelson said that he would pay this to prevent a winding up petition being served, but failed to do this.
25 February 2019	LBX’s lawyers Squire Patton Boggs (SPB) served the company with a winding up petition. A court date was set for 10 April 2019
On or around 3 March 2019	Mr Sandelson made a payment from his personal account to SPB of £13,000.
	This money was rejected by SPB as a full settlement on the grounds that the monies had since incurred interest and did not settle the complete debt. Nevertheless they retained the money, even though it had come from Mr Sandelson who was not technically known to them. In retrospect, this seems possibly irregular from a compliance point of view.
During March 2019	LBX engaged W Legal to assist them in defending against the winding up petition.

On 10 April 2019	The day of the court hearing, SPB offered LBX verbally and outside of the court a settlement figure of £13,000. This was rejected by our lawyers who had reviewed the original SPB invoices and found irregularities. These irregularities were passed on by W Legal on LBX's behalf to the Senior Courts Costs Office for review. The outcome of the court hearing was that judgement would be suspended pending this review.
Many months passed.	
During September 2019	the Senior Courts Costs Office finally advised that the two parties in dispute should be able to reach an agreement between themselves given that the sum was so small.
Jan 2020	A court date was fixed for 31 January 2020.
On 29 January 2020	Mr Cooper advised that LBX's financial position was now untenable and the company should be placed into a Creditors Voluntary Administration. In Mr Cooper's view, Mr Sandelson was the company's lead creditor.
On 31 January 2020	The court declined the proposed CVA, and chose the Official Receiver to review.

LOOKING FOR FUNDING TIMELINE

Investment and Acquisition Opportunities from beginning of financial difficulties

Jan 2019	Blockchain were looking for a UK firm who had solved the banking issues in the UK, along with a team of highly focused individuals. We began negotiations which ran through to mid March before they decided they did not want to proceed.
Mar 2019	Union Bank are a Liechtenstein bank and were looking for their entry into the cryptocurrency market. We explored different options such as a joint venture, a whitelabelled exchange and the outright purchase of the company. They decided that given the CEO was leaving that year, it was too big of a commitment for them to make.
May 2019	Life Labs/Astering Capital wanted to merge businesses, before it transpired they were waiting on closing their own investment round. They never closed the round and subsequently went into a pre-packaged administration.

June 2019	Einstein Exchange - Made an offer to buy. Einstein subsequently closed in October.
During December 2019	Myself and an external advisor, Phil Millo went to Poland to meet the senior management team of BitBay, the largest crypto exchange in Poland. They wanted to control the UK market and we reached heads of terms. We were in the process of agreeing a purchase of the company and its assets, when the court ordered the company to be wound up.

TAX CREDIT TIMELINE

Research and Development Tax Credit

Early July 2019	Appoint Pricewise Accountants to prepare the Y1 accounts for the company from 2017-18.
July 2019	LBX submits an R&D tax credit claim for £647,249.12 on qualifying expenditure of £1,940,777. Pricewise had claimed they had experience of submitting successful R&D tax credits - however, it became clear that this was an overstatement - they had had a small R&D claim of £20k approved from a much smaller business in a different sector and had no fintech experience.
August 2019	After further enquiry into the preparation of R & D tax claims, it became apparent that our application was lacking as we had not prepared or submitted an explanation of the basis of the claim. Our complex application required a software innovation specialist focused on preparing a detailed review and multipage submission document.
18th November	Appoint a new R and D advisor, Leyton, who agreed in the magnitude of our claim.
Nov-Dec 2019	Work on claim document with Leyton
Dec 2019	Receives response querying the initial submission.
17 Jan 2019	Claim document nearly complete.
Summary	Leyton were very confident of obtaining a claim against a significant proportion of the £1.9m invoices. Had LBX known this information in July, we would have been in a much better position to take advantage of the government grant, and as a result, been able to pay creditors sooner. This led to a lack of confidence in the business from the creditors that they would be paid back in a reasonable timeframe, and why they joined the petition at the end.

Challenge by London Stock Exchange TIMELINE

- Brand infringement challenge
- Sought legal advice and trademark advice
- Second opinion advice was to use LBX and change company name which reduces the liability if they bring it to court - Name change was executed in July 2019 to Dragon Payments.

IN THE HIGH COURT OF JUSTICE

NO. 001356 OF 2019

IN THE MATTER OF

**DRAGON PAYMENTS LTD (FORMERLY LONDON BLOCK EXCHANGE
LIMITED) - IN LIQUIDATION**

AND

THE INSOLVENCY ACT 1986

**THE JOINT LIQUIDATOR'S FIRST ANNUAL PROGRESS REPORT
PURSUANT TO
PART 18 OF THE INSOLVENCY (ENGLAND AND WALES) RULES 2016
FOR THE YEAR ENDED 3 FEBRUARY 2021**

DRAGON PAYMENTS LTD (FORMERLY LONDON BLOCK EXCHANGE LIMITED) - IN LIQUIDATION
Annual Progress Report pursuant to Part 18 of the Insolvency (England and Wales) Rules 2016

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- c. Joint Liquidators' name and address
- d. Any Change in the Office Holder
- e. Details of progress during the period and summary account of receipts and payments
- f. Joint Liquidators' remuneration and expenses
- g. Seeking decisions of creditors by correspondence
- h. Creditors and distributions
- i. Details of what remains to be done
- j. Other information of relevance to creditors
- k. Next report

APPENDICES

- 1. Receipts and Payments Account from 4 February 2020 to 3 February 2021
- 2. Time Analysis for the period from 4 February 2020 to 3 February 2021
- 3. Estimate of time costs matrix
- 4. Joint Liquidators' time costs and expenses explanations

DRAGON PAYMENTS LTD (FORMERLY LONDON BLOCK EXCHANGE LIMITED) - IN LIQUIDATION
Annual Progress Report pursuant to Section 104A of the Insolvency Act 1986

(a) Introduction

We, Paul Cooper and Paul Appleton of David Rubin & Partners, 26-28 Bedford Row, London WC1R 4HE, were appointed as Joint Liquidators of the Company on 4 February 2020 by the Secretary of State, following a Winding up Order made by The High Court of Justice on 31 January 2020 upon a petition presented on 25 February 2019 by Squire Patton Boggs UK LLP.

The Company was incorporated on 15 September 2017 and its principle activity was that of an e-money institution. It also provided cryptocurrency ("Crypto") trading facility to institutional and retail customers in the UK.

The Company's registered office (service location) was at Kemp House, 160 City Road, London, EC1V 2NX and it traded from virtual offices. The Company's name was changed from London Block Exchange Ltd to the current name by passing a special resolution on 24 July 2019. On our appointment, Mr Dives was the sole Director of the Company. The paid up share capital of the Company was £10 and Benjamin Dives and Jonathan Sandelson are the shareholders of the Company with shareholdings of 25% and 75% respectively.

Mr Sandelson was the major funder of the business since incorporation and it appears that the Company owes him and his consortium, sums totalling circa £3.6 million. A formal claim has not yet received in this liquidation.

Upon our appointment, the Company's registered address has been changed to our office address.

This report provides an update on the progress in the liquidation for the year ended 3 February 2020 ("the Review Period").

Rule 18.3: Progress Report

(b) Statutory information

Court:	The High Court of Justice
Reference Number:	001356 of 2019
Company name:	Dragon Payments Limited (formerly London Block Exchange Limited)
Registered office:	1st Floor, 26 - 28 Bedford Row, London, WC1R 4HE
Company number:	10966096
Trading name:	London Block Exchange
Trading address:	Kemp House, 160 City Road, London, EC1V 2NX

(c) Joint Liquidators' name and address:

Paul Cooper, Office Holder Number: 15452, and Paul Appleton, Office Holder Number: 8883 of David Rubin & Partners, and they may be contacted in writing at 26 - 28 Bedford Row, London, WC1R 4HE

(d) Any changes in the Office Holder

We were appointed as Joint Liquidators of the Company on 4 February 2020. There has not been a change in the Office Holders since the original appointment date.

DRAGON PAYMENTS LTD (FORMERLY LONDON BLOCK EXCHANGE LIMITED) - IN LIQUIDATION

Annual Progress Report pursuant to Section 104A of the Insolvency Act 1986

(e) Details of progress during the period and summary account of Receipts and Payments under review:

According to the Official Receiver's observation, there were no assets for the Company. It was estimated that the total liabilities of the Company were £3.6 million, resulting in an estimated net deficiency of £3.6 million.

Upon my appointment, I reviewed the books and records and it was noted that the Company's Domain Name 'lbx.com', provided by GoDaddy.com, may have a potential value. It was also noted that there could be a value attributable to the codebase for the software platform used by the Company. Accordingly, I instructed Agents and Valuers, Williams & Partners Ltd ("WPL") to find a suitable buyer for the same.

It was brought to my attention that several parties had, prior to insolvency, expressed an interest in purchasing the business. Accordingly, I requested WPL to make contact with those prospective purchasers, whilst simultaneously undertaking an appropriate marketing campaign. Whilst this culminated several Non-Disclosure Agreements being signed, no formal offers were received from those parties. However, WPL subsequently received an offer to acquire the Domain Name from a third party Slovakian company, Senza Limiti S.R.O, for £15,000 plus VAT. In the absence of any alternative offers, and on recommendation of WPL, I accepted this offer. The sale was formally completed on 7 May 2020 and the sale proceeds have been received in full.

Having undertaken enquiries in respect of the codebase, it was determined that the intellectual property rights to the pre-existing source code for the platform was owned by a third party and the Company's rights to operate the same under the licence were revoked upon liquidation. Consequently, no realisation was made in this regard.

I received an offer for the Customer database for £500 from a Swiss company. However, having considered the risk, obligations and compliance matters to be followed by the Liquidators under the General Data Protection Regulation (GDPR), it was concluded that there would be no financial benefit for creditors, after costs. Accordingly, I decided not to proceed with this offer.

The Company was one of the Electronic Money Directive (EMD) Agents of CFS-ZIPP Limited ("ZIPP") and at the time of our appointment, ZIPP was holding sums totalling circa £385,830, made up of circa £354,373 and £31,457 for Company's Corporate and Retail customers respectively.

Shortly after our appointment, we reviewed the position of the client money deposited with ZIPP, on trust, by the Company and the effect of the Company's insolvency on these funds. As part of the enquiry, I considered the guidelines issued by Financial Conduct Authority ("FCA") on clients' money. Upon review, it became apparent that the clients' money and financial instruments held by the Company shall remain outside the scope of the insolvency estate and that any such funds should be held on trust for those clients.

Accordingly, we invited the corporate and retail customers, whose deposits are in excess of £100, to provide us with supporting documentation in respect of their identity and deposits in order to cross check these with the Company's records. Upon verification, a request has been made to release funds back to the customers directly by ZIPP. In this regard, a 'block payment' request arrangement is currently in place with ZIPP, in order to minimise the costs payable to ZIPP that would otherwise be borne by the customers from their deposits. Under

DRAGON PAYMENTS LTD (FORMERLY LONDON BLOCK EXCHANGE LIMITED) - IN LIQUIDATION

Annual Progress Report pursuant to Section 104A of the Insolvency Act 1986

this arrangement, requests are made to ZIPP to return funds to customers only if, and when, sufficient numbers of customers pass their verification process with us.

We assisted corporate and retail clients to recover their deposit s, held by ZIPP, in the sum of circa £48,750 and £13,000 respectively, to date. We await further instructions from the remaining customers, who have not yet made a claim.

Some retail customers' claims are under review. It should be noted that delays are possible to some customers whose verification process has already been completed, due to existing 'block payment requests'.

Those customers whose deposit s are less than £100 were excluded from this process as the costs payable to ZIPP to release the funds outweigh the individual customer's deposit value.

During the Review Period a large number of Crypto customers contacted my team to locate and recover their Crypto but those queries were directed to associated company, Mayan Block Limited ("MBL"), as such assets are under the control of MBL, a separate legal entity. We have been made aware that some customers have recovered their Crypto deposits from MBL whilst others are encountering difficulties eliciting a response. We have attempted to make contact with the Director, who is also the Director of MBL, on multiple occasions in this regard but no response has been forthcoming.

It should be noted that during the Review Period extensive correspondence and telephone exchanges have been held with the Director and customers in respect of various deposit s and, as a result, we have incurred substantial costs in this regard. We will continue trying to contact the Director but Crypto customers should note that we have no locus or control over the affairs of MBL. It may be appropriate if they consider taking their own legal advice to recover their Crypto.

Receipts and Payments Account

A Receipts and Payments Account is attached at Appendix 1, which is further explained below.

It should be noted that, in a compulsory liquidation, the estate funds are held in an interest bearing account with Insolvency Services. I have reconciled all Receipts and Payments with the Insolvency Service Account. My cashbook balance matches with the balance held at this account.

Receipts

Domain Name

As advised earlier in the report, the Domain Name of the Company was sold for £15,000 plus VAT and I have realised the sale proceeds in full. No further realisation is expected in this regard.

Petitioners' Deposit

The sum of £1,600 was lodged by the petitioner in respect of the administrative fees associated with dealing with the winding-up of the Company. This will be returned to the petitioner should sufficient realisations be made in accordance with insolvency legislation priorities.

DRAGON PAYMENTS LTD (FORMERLY LONDON BLOCK EXCHANGE LIMITED) - IN LIQUIDATION
Annual Progress Report pursuant to Section 104A of the Insolvency Act 1986

Payments

Company Administration Fee – Official Receiver

This fee relates to the amount paid to the Official Receiver's office for services rendered in dealing with the initial stages of the Liquidation prior to my appointment.

General Fee – Official Receiver

This fee is charged on all Compulsory Liquidations and is fixed at £6,000.

ISA Banking Fees

I am required by statute to deposit funds in the Estate account with the Insolvency Service. The Insolvency Service makes quarterly banking charges for operating the account.

Agents fees

WPL was instructed in respect of providing the valuation of the Domain Name and assisting in the sale thereof. WPL was selected as agents on the basis of their experience and expertise in dealing with valuations and sale of assets in insolvency situations, taking into account the locality and size of the Company.

WPL is a member of the National Association Valuers and Auctioneers (NAVA) and has adequate professional indemnity insurance in place.

WPL's fees were agreed on a basis of a fixed fee of £500 plus VAT for valuation and 10% of gross asset realisations achieved from the sale of assets. WPL's total costs of £2,000 plus VAT has been paid as an expense of the Liquidation.

Payments accrued but not paid

Petitioners' Costs

It is understood that costs were incurred by the petitioning creditor for the winding up petition. We have yet to be notified of the quantum of the same. However, these costs will be paid if and when sufficient funds become available in the estate.

Statutory Advertising

This represents the costs for the publishing of statutory advertising in the London Gazette in respect of the notice of the appointment of the Joint Liquidators and to creditors to submit their claims in the liquidation.

Specific Bond

The specific bond is the cost of insurance, based on the level of realisations by the Liquidator, as required by the Insolvency Practitioners Regulations 2005.

DRAGON PAYMENTS LTD (FORMERLY LONDON BLOCK EXCHANGE LIMITED) - IN LIQUIDATION

Annual Progress Report pursuant to Section 104A of the Insolvency Act 1986

Legal Fees

Squire Patton Boggs (UK) LLP ("SPB") was instructed to provide legal advice in respect of the ownership of the Domain Name and to entering into correspondence with a third party purporting to hold security over the Company's interest in the same. SPB's also assisted with the legalities of the unlocking of the Domain Name at GoDaddy.com and the transfer of the intellectual property to the purchaser. SPB fees have been agreed on a time costs basis. I wait to receive an analysis of the time spent on this matter and these costs will be paid as an expense of the Liquidation.

(f) Liquidator's Remuneration and Expenses

Basis of remuneration

As Joint Liquidator, under the provisions of Rule 18.16 of the Insolvency (England and Wales) Rules 2016, we are required to provide creditors with details of the work we propose to undertake in the Liquidation and the expenses we consider will be, or are likely to be, incurred in dealing with the Liquidation Estate, prior to determining the basis upon which our remuneration is to be fixed.

In addition to this, where Joint Liquidators seek to pass a resolution to agree the basis of their remuneration by reference to the time properly spent by themselves and their staff in attending to matters arising in the Liquidation, a fee estimate outlining the time and estimated cost of the work to be done must also be provided.

In this case, we are seeking to agree that our remuneration be based on the time properly spent by us and our staff in dealing with the affairs of the Company. The fee estimate and details of the work we propose to undertake can be found in Appendices 3 and 4 to this report. Please note that where appropriate, the fee estimate may be to a particular stage of the case only and if we consider the estimate will be exceeded during the course of the liquidation, we are allowed to seek further approval for any increase in the remuneration.

I will provide updates on the expenses I consider will be, or are likely to be, incurred during this case with my progress reports in due course.

The process to approve the Joint Liquidator's remuneration is detailed in section (g) below.

Staff allocation and the use of subcontractors

Our general approach to resourcing our assignments is to allocate staff with the skills and experience to meet the specific requirements of the case. The constitution of the case team will usually consist of a Partner, Manager, Senior Administrator and two Administrators. The exact constitution of the case team will depend on the anticipated size and complexity of the assignment and additional staff may be allocated to meet the demands of the case.

We have not utilised the services of any subcontractors in this case.

Liquidator's Remuneration

Our time costs for the year under review are £92,760 and this represents 299.42 hours at an average rate of £309.51 per hour.

DRAGON PAYMENTS LTD (FORMERLY LONDON BLOCK EXCHANGE LIMITED) - IN LIQUIDATION
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We have not drawn any fees on account or our time costs and the full amounts remain outstanding.

I attach, at Appendix 2, a time analysis, which provides details of the activity during this period, analysed by staff grade. Included in the work undertaken by me and my staff is the following:-

- i) Notifying creditors of the Liquidators' appointment and other associated formalities including statutory advertising and filing relevant statutory notices at Companies House;
- ii) Opening, maintaining and managing the liquidation estate cashbook;
- iii) IPS set-up - Creation and update of case files on the firm's insolvency software which include company information, creditors, debtors and employees details;
- iv) Notification of Company's Insolvency to Financial Conduct Authority;
- v) Completion and filing of the notice of the Company's insolvency to HMRC
- vi) Obtaining a case reference and submitting the relevant forms to the Redundancy Payments Service;
- vii) Dealing with all matters arising in relation to the Company's former employees including, but not limited to, various correspondence and telephone calls, preparation of the necessary paperwork for claims from the Redundancy Payments Service ("RPS");
- viii) Dealing with extensive enquiries from customers both by correspondence and by telephone, and assisting them to recover their deposits and return of client monies held with ZIPP;
- ix) Dealing with creditors' enquiries, both by correspondence and by telephone, and noting their claims;
- x) Applying for the Joint Liquidators' bond, as required by the Insolvency Practitioners Regulations 2005;
- xi) Carrying out preliminary investigations and searches;
- xii) Correspondence with the Official Receivers' Office in respect of the handover of case documentation;
- xiii) Instructing and liaising with agents in respect of the valuation the Company's Domain Name;
- xiv) Correspondence with my agents and the purchaser in respect of the sale of Domain Name;
- xv) Assessment of Receipts and Payments to date and review of likely dividend prospects;
- xvi) Initial assessment required by Statement of Insolvency Practice 2 including the review of the Company's books and records;

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- xvii) Preparation and submission to HMRC of the relevant tax and VAT returns;
- xviii) Liaising with the Company's pre-liquidation bank in respect of closure of the account, and the provision of copy statements and other relevant documentation;
- xix) Carrying out quarterly case reviews;
- xx) Undertaking case reviews on a quarterly basis; and
- xxi) Sundry statutory and administrative duties.

I anticipate that further costs will be incurred before concluding this liquidation.

Liquidator's expenses

Expenses incurred in the liquidation are explained at (e) above in my comments on the Receipts and Payments Accounts.

Statutory and Compliance Work

Information on the anticipated outcome for creditors in this case can be found at section (h) of this report. A Liquidator is not only required to deal with correspondence and claims from unsecured creditors (which may include retention of title claims), but also those of any preferential creditors of the Company.

The above work will not necessarily bring any financial benefit to creditors generally. However, a Liquidator is required by statute to undertake this work. Similarly, if a distribution is to be paid to any class of creditor, work will be required to agree those claims and process the dividend payments to each relevant class of creditor. The more creditors a company has, the more time and cost will be involved by the Liquidator in dealing with those claims.

Creditors' rights – Rule 18.9 and Rule 18.34

- i) Within 21 days of the receipt of this report, a secured creditor, or an unsecured creditor (with the concurrence of at least 5% in value of the unsecured creditors) may request in writing that the Liquidator provides further information about his remuneration or expenses which have been itemised in this progress report.
- ii) Any secured creditor, or an unsecured creditor (with the concurrence of at least 10% in value of the unsecured creditors) may within 8 weeks of receipt of this progress report make an application to court on the grounds that the basis fixed for the Liquidator's remuneration, the remuneration charged or the expenses incurred by the Liquidator as set out in this progress report are excessive.

(g) Seeking Decisions of Creditors by correspondence

Based on the available funds in the liquidation, it is very unlikely that we will be able to recover more than £3,500 out of our time costs incurred to date of £92,760, let alone the fee estimate of £126,252.50, as set out in Appendix-3, for the time incurred to date plus the work anticipated until conclusion of the Liquidation. However, we should have approval in place from the creditors in the event funds become available to draw our fees insofar as possible.

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Accordingly, I am seeking Decisions of Creditors for our time costs incurred to date of £92,760 to be approved, details of which are set out in the Notice of Decision Procedure at Appendix-5. In the event that further realisations are made and funds become available that will result in a financial benefit for creditors, I may, at that juncture, seek creditor approval to increase this fee to the level of our fee estimate, as reported above.

Creditors are being asked to consider and, if thought fit, approve the following resolutions, which are also detailed on the Voting Form:

- That a Liquidation Committee of Creditors be formed in the event that there are a requisite number of nominations.
- In the event that there are insufficient nominations to enable a Liquidation Committee to be formed, that the Joint Liquidators' remuneration be fixed by reference to the time properly given by themselves and their staff in attending to matters arising in the Liquidation and that they be authorised to draw such remuneration from time to time as funds allow.
- That the Joint Liquidators be authorised to recover their disbursements on the basis of the tariff disclosed to creditors in their report and that they be authorised to draw such disbursements from time to time as funds allow.

If you wish to serve as a member of the Liquidation Committee, please indicate your willingness to do so in writing when returning your proxy and proof of debt forms.

It is important procedurally that you complete and return the Voting Form supported by a Proof of Debt form. A Notice of Decision Procedure in this regard together with the voting form will be sent separately and I should be grateful if you would attend to this, clearly stating your voting intentions, as soon as possible.

(h) Creditors and Distributions

(i) (a) Secured creditors

There are no secured creditors in this liquidation.

(b) Prescribed Part

The Prescribed Part under the provision of section 176A of the Insolvency Act 1986 does not apply here given that there are no Secured Creditors.

(ii) Preferential creditors

Claims from preferential creditors typically involve employee and occupation pension scheme claims.

Under the provisions of Insolvency legislation, employees have preferential claim in respect of unpaid wages up to a maximum of £800 and Holiday Pay. Occupations Pension Scheme, if any, shall also have a preferential claim for any employee contribution arrears up to 4 months. However, there appears to be no such occupation pension scheme in this case.

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The Company had 13 employees. A significant element of the preferential amount has been paid by the Redundancy Payments Service (RPS), subject to statutory limit, and as a result the RPS will have a subrogated claim in the liquidation for the payments advanced to the employees. The employees may continue to have a preferential claim for the shortfall owed to them for preferential element of Arrears of Wages and Holiday Pay. Outstanding amounts to employees in respect of Arrears of Wages in excess of £800, Redundancy and Notice Pay entitlements will rank as unsecured claim in the liquidation.

I have not received a formal claim from the RPS in respect of their preferential claim. The residual balances owed to employees in respect of their preferential claims remain to be adjudicated.

I have not undertaken the task of agreeing preferential creditors' claims due to insufficient funds in this liquidation, after costs, to enable a dividend to become payable to this class of creditor.

(iii) Unsecured creditors

The Official Receiver observed that the deficiency as regards to creditors in this liquidation would be in the region of £3.6 million. However, I have noted that directors' and shareholders' loans and debt owed to inter-companies would be circa £4.3 million. In addition, based on the list provided by the Director, the debt owed to thirty unsecured creditors, including employees and HM Revenue and Customs, amounts to £1.78 Million. It is therefore believed that the total deficiency to creditors would be in excess of £6.2 million.

I wrote to all known creditors at the start of the process requesting them to submit a claim in the liquidation. A notice to submit a claim was also advertised in the London Gazette.

During the Review Period, I received unsecured claims totalling £814,421 from 13 creditors.

Dividend prospects

There are insufficient funds available to pay a dividend to creditors when Liquidation costs and expenses are taken into account. Accordingly, I regret to advise that there are no prospects of a dividend to any class of creditor in this matter.

(i) Details of what remains to be done

I do not anticipate any further realisations to be made in this matter. However, some recovery may be possible from further investigation into the affairs of the Company but a lack of assets and insufficient funds in the liquidation estate limits our ability to undertake further investigations, unless funding is made available from creditors and/or customers.

We will continue to assist the customers to recover their money held with ZIPP.

The Liquidation will remain open until the above matters have been concluded.

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(j) Other information of relevance to creditors:

Investigations

As you may be aware, in a compulsory liquidation the duty to investigate the Company's affairs is the responsibility of the Official Receiver. There is no requirement on the Joint Liquidators to submit a report or return on the Directors' conduct to the Department for Business, Energy & Industrial Strategy. However, where matters are brought to the Joint Liquidators' attention, these will be reported to the Official Receiver for further consideration.

I would confirm that I made an initial assessment of whether there could be any matters that might lead to recoveries for the estate and what further investigations may be appropriate and that may need reporting to the Official Receiver. This assessment took into account information provided by creditors, customers and the Director. I also undertook an initial review of the Company's electronic records available and entered into correspondence with Director and other relevant parties including customers and creditors in order to seek explanations and clarifications where appropriate.

It appears from the last submitted financial statements for the year ended 30 September 2018 that the Company was insolvent on a cash flow and balance sheet basis. However, without an in-depth investigation, it is not known whether there are any merits in bringing a claim for wrongful trading and misfeasance against the Director.

In February 2019, a winding up petition was presented and any dispositions of the Company's property after the date of the presentation of the petition are void pursuant to Section 127 of the Insolvency Act 1986, unless the Court orders otherwise. A detailed investigation would need to be undertaken in order to ascertain the post-petition dispositions.

It was noted that the Company is connected to the following companies, by virtue of common directorship and control, and there were inter-company dealings. It is unclear whether there are causes for concerns in respect of possible transactions at an undervalue and/or preferential payments unless a thorough detailed investigation is carried out.

- Mayan Block Ltd (Formerly LBX Trading Ltd)
- AXIS Mundi Global Custody Ltd (Formerly LBX Custody Ltd)
- Launch Pay Ltd (Formerly LBX Pay Ltd)
- Minton Byrne Ltd (Formerly LBX Peg Ltd)
- LBX Digital Custody Ltd (Dissolved on 26 November 2019)
- LBX Markets Ltd (Dissolved on 10 December 2019).
- LBX Ltd (Dissolved on 31 March 2020).
- London CryptoCurrencies Exchange Ltd (Dissolved on 3 September 2019)

Due to the complexity of the Company's trading operations and limited information available, experts' advice might be required, and further queries and analysis would need to be undertaken to consider any potential rights of actions against certain parties, including Directors and connected companies, pursuant to the Insolvency Act 1986. The potential rights of actions include, *inter alia*, claims for misfeasance, transactions at undervalues, preferences, wrongful trading and fraud.

Due to insufficient funds in the liquidation, I was unable to carry out more detailed and targeted investigations. If any creditors or customers are willing to fund a detailed

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investigation, please contact me within 21 days of receipt of this report. If no response is received, I will have no alternative but to abandon any such investigation and proceed with finalising the matters referred to in section (i) above and then conclude the Liquidation. It should be noted that any creditors and customers who wish to contribute to the Liquidators' investigation would be paid first out of the recoveries made from such investigation, but after the costs of liquidation.

(k) Next report

I am required to provide a further report on the progress of the liquidation within two months of the end of the next anniversary of the liquidation, unless I have concluded matters prior to that, in which case I will write to all creditors with my Final Account, which will conclude my administration of the Liquidation.

I trust you will find this report adequate for your purposes but should you require any further information, please do not hesitate to contact, in the first instance, either my Senior Manager, Darren Ellis, or his colleague, Riji GopiNathan, at this office.



PAUL COOPER - JOINT LIQUIDATOR

DATE: 16 March 2021

DRAGON PAYMENTS LTD (FORMERLY LONDON BLOCK EXCHANGE LIMITED)**IN LIQUIDATION****Liquidator's Abstract of Receipts & Payments****For the Period 4 February 2020 to 3 February 2021**

	<u>Estimated to</u> <u>Realise</u> <u>£</u>	<u>Realised</u> <u>3 Feb 2021</u> <u>£</u>
<u>Receipts</u>		
Domain Name	Nil	15,000.00
Petitioner's Deposit		1,600.00
		<u>16,600.00</u>
<u>Payments</u>		
Company Administration Fee - Official Receiver		5,000.00
General Fee - Official Receiver		6,000.00
Insolvency Services Banking Fees		88.00
Agents Fees		2,000.00
		<u>13,088.00</u>
Receipts less Payments		<u>3,512.00</u>
Represented by:-		
Insolvency Services Account		6,112.00
Net VAT Payable		(2,600.00)
		<u>3,512.00</u>

DRAGON PAYMENTS LIMITED - IN COMPULSORY LIQUIDATION

LIQUIDATOR'S TIME COSTS FOR THE PERIOD 4 FEBRUARY 2020 TO 3 FEBRUARY 2021 SIP 9 TIME SUMMARY							
Classification of work function	Hours					Total Cost £	Average hourly rate £
	Partners	Manager / Senior Manager	Admin / Senior Admin	Cashiers	Total hours		
Statutory compliance, admin and planning							
IPS set up & maintenance	00:00	00:00	03:12	00:00	03:12	640.00	200.00
Statutory filings, circulars, notices, etc.	00:00	05:00	25:36	00:00	30:36	9,104.50	297.53
Case planning, strategy & control	00:00	01:30	09:54	00:00	11:24	2,680.50	235.13
Taxation: PAYE, C/Tax & VAT	00:00	00:12	00:00	00:00	00:12	79.00	395.00
Accounting & Cashiering	00:00	00:00	00:00	02:48	02:48	616.00	220.00
Case reviews & Diary maintenance	00:00	00:18	05:12	00:00	05:30	1,317.50	239.55
Investigations							
OR: CDDA matters & correspondence	00:00	00:00	00:42	00:00	00:42	206.50	295.00
SIP2 assessment and financial review	00:00	02:12	02:18	00:00	04:30	1,375.00	305.56
Antecedant transactions & wrongful trading	00:00	00:00	02:00	00:00	02:00	590.00	295.00
Realisation of assets							
Intangible assets	00:00	03:30	00:00	00:00	03:30	1,382.50	395.00
Tangible assets	04:30	14:12	00:48	00:00	19:30	8,012.50	410.90
Creditors							
Unsec'd Creditors: correspondence & claims	02:30	60:30	119:18	00:00	182:18	57,396.00	314.84
Preferential creditors & employees	00:00	07:18	26:12	00:00	33:30	9,360.00	279.40
Total hours and costs	07:00	94:42	195:12	02:48	299:42	92,760.00	309.51

DRAGON PAYMENTS LIMITED - IN COMPULSORY LIQUIDATION

PROPOSED LIQUIDATOR'S ESTIMATE OF TIME COSTS							
Classification of work function	Hours					Total Cost £	Average hourly rate £
	Partners	Manager / Senior Manager	Admin / Senior Admin	Cashiers	Total hours		
Statutory compliance, admin and planning							
IPS set up & maintenance	00:00	01:00	02:00	00:30	03:30	942.50	269.29
Statutory filings, circulars, notices, etc.	00:30	06:00	30:00	00:00	36:30	11,007.50	301.58
Case planning, strategy & control	02:00	03:00	03:00	00:00	08:00	3,060.00	382.50
Taxation: PAYE, C/Tax & VAT	00:00	01:00	02:00	00:00	03:00	795.00	265.00
Accounting & Cashiering	00:30	00:00	00:00	09:00	09:30	2,527.50	266.05
Case reviews & Diary maintenance	01:00	02:00	04:00	00:00	07:00	2,275.00	325.00
Statutory reporting and compliance	01:50	15:00	03:00	00:00	19:50	7,432.50	374.75
Investigations							
Assessment and financial review	02:00	09:00	09:00	00:00	20:00	6,345.00	317.25
Antecedant transactions	02:00	07:00	03:00	00:00	12:00	4,355.00	362.92
Realisation of assets							
Tangible assets	04:30	14:12	02:48	00:00	21:30	8,472.50	394.07
Creditors & distributions							
Unsec'd Creditors: correspondence & claims	04:00	85:00	140:00	00:00	229:00	76,855.00	335.61
Preferential creditors & employees	00:00	03:00	05:00	00:00	08:00	2,185.00	273.13
Total hours and costs	18:20	146:12	203:48	09:30	377:50	126,252.50	334.15

DRAGON PAYMENTS LIMITED (FORMERLY LONDON BLOCK EXCHANGE LIMITED)

LIQUIDATORS' FEE ESTIMATE IN ACCORDANCE WITH THE INSOLVENCY (ENGLAND AND WALES) RULES 2016 AND STATEMENT OF INSOLVENCY PRACTICE 9

Rule 18.16(4) of the Insolvency Rules 2016 requires that a Liquidator provides creditors with a summary of his estimate of costs for the work to be undertaken and, where an hourly rate is proposed, an estimate of the expected time, together with details of the expenses likely to be incurred.

Creditors are advised that it is an extremely difficult task to provide a definitive estimate of the costs of the Liquidation. Given the complexities of the case, it is difficult to provide an exact assessment of the costs to be incurred in attending to the various matters outlined in the report. Until I have had an opportunity to complete a thorough review of the Company's books and records and, where applicable, conduct enquiries with the Company's key personnel, I am unable to confirm whether my initial causes for concern in respect of possible post-petition dispositions, preference payments and wrongful trading can be pursued, or the level of time required to be applied to securing recoveries, if appropriate. Similarly, the verification, agreement and return of client monies, where possible, together with dealing with the numerous enquiries in that regard, are likely to require my staff and I to devote a significant amount of time to the case.

In light of the above, the estimate provided, at best, could only be viewed as a guide, although it is a ceiling that is initially binding on a Liquidator.

The estimate is also intended to be viewed on a total basis and not on the basis of the individual tasks, which have been provided as a guide only. It is inevitable that provisions for some tasks will be overestimated whilst others will be underestimated and, therefore, the guide should be taken as a whole.

I intend to complete further assessment of the Company's financial affairs and assess whether there could be any matters that may lead to recoveries for the liquidation estate and what further specific and targeted investigations may be appropriate. This assessment will take into account information provided by creditors and a review of the Company's financial records and bank accounts. Therefore, as Joint Liquidators, we reserve the right to refer back to creditors should we consider that the time cost fee estimate will be exceeded. In such case, we will provide creditors with relevant information on the reasons for this and an updated fee estimate if this proves necessary.

To view an explanatory note approved by the Joint Insolvency Committee concerning liquidators' remuneration, please visit the Publications folder on our website at www.drpartners.com/cases using the following username and password to log in:-

USERNAME: D1026@drco.co.uk

PASSWORD: 6201Dde*!

Alternatively, please contact this office to arrange for a copy to be sent to you.

Set out below is a list of the minimum tasks that a Liquidator has to carry out generally in respect of all liquidations in order to comply with Statutory Regulations and best practice directives issued by the Joint Insolvency Committee, which all Insolvency Practitioners in the U.K. are bound by and which are monitored by the Liquidator's Regulatory Body. The best practice directives are mostly set out in a series of *Statements of Insolvency Practice*, better known as SIPs and also in the *Insolvency Practitioner Code of Ethics* which is detailed at www.icaew.com/membershandbook. You will find copies of all the SIPs on R3's website:

<https://www.r3.org.uk/what-we-do/publications/professional/statements-of-insolvency-practice>

DRAGON PAYMENTS LIMITED (FORMERLY LONDON BLOCK EXCHANGE LIMITED)
LIQUIDATOR'S FEE ESTIMATE

R3 (also known as the Association of Business Recovery Professionals) is the trade body for the UK insolvency profession. You may also like to visit the following site launched by R3 specifically to guide creditors through the insolvency process: <http://www.creditorinsolvencyguide.co.uk>

I have set out against each task the time we estimate to be necessary to complete each particular task properly, analysed by different grades of staff. Our firm's general approach to resourcing our assignments is to allocate staff with the skills and experience to meet the specific requirements of the task and case. The constitution of the case team will usually consist of a Partner, Senior Manager, Manager, Senior Administrator and two Administrators. The exact constitution of the case team will depend on the anticipated size and complexity of the assignment and additional staff may be allocated to meet the demands of the case.

Proposed Fee Basis

We are seeking Decisions of Creditors for the Joint Liquidators' remuneration to be based on time costs. Our time costs for the year under review are £92,760 and additional costs will be incurred before the conclusion of the Liquidation. The fee estimate of £126,252.50, which incorporates the time costs incurred to date, plus the future time until conclusion of the Liquidation, is attached at Appendix-3. This estimate has been made on the assumption that the Liquidation will be concluded within a year and represents the maximum fees that the Joint Liquidators can charge unless further sanction is obtained from creditors. Notwithstanding our fee estimate, we are seeking Decisions of Creditors for the basis of our fees to be fixed by reference to the time properly spent our staff and ourselves and for our time costs incurred to date of £92,760 to be approved.

In the event that further realisations are made and funds become available that will result in a financial benefit for creditors, I will, at that juncture, seek creditor approval to increase this fee to the level of our fee estimate, as reported above.

My firm's current hourly charge-out rates applicable to this appointment, which are charged in units of 6 minutes exclusive of VAT, are as follows:

	£
Senior / Managing Partners	550
Partners/Office holders	495
Managers / Senior Managers	350 - 395
Senior Administrators	220 - 295
Administrators	160- 200
Cashiers and Assistants	150 - 295
Supports	120- 150

Chargeout rates are normally reviewed annually in November, when rates are adjusted to reflect such matters as inflation, increases in direct wage costs, and changes to indirect costs such as Professional Indemnity Insurance.

Explanations of the Estimates

The majority of the tasks listed below are self-explanatory or have been explained in the report and, therefore, I do not propose to elaborate on these in further detail. Creditors who require further details should feel free to contact my office. However, creditors may get a better understanding of the work involved if I list out, in broad terms, the various tasks involved:

DRAGON PAYMENTS LIMITED (FORMERLY LONDON BLOCK EXCHANGE LIMITED)
LIQUIDATOR'S FEE ESTIMATE

Administration (including statutory compliance & reporting)

Under insolvency legislation the liquidator must comply with certain statutory compliance requirements which may not bring any direct financial benefit to the creditors of the Company. A list of these tasks, as applicable, consists of:

- Notifying creditors of the liquidator's appointment and other associated formalities including statutory advertising and filing relevant statutory notices at Companies House
- Opening, maintaining and managing the liquidation estate cashbook, bank account(s).
- IPS set-up - Creation and update of case files on the firm's insolvency software which include company information, creditors, debtors and employees details.
- Securing the Company's books and records
- Complying with statutory duties in respect of the liquidator's specific penalty bond
- Redirection of the Company's mail to the liquidator's office
- Pension regulatory reporting and auto-enrolment cancellation
- Completion and filing of the notice of the Company's insolvency to HMRC
- Dealing with former employees to provide support and assistance in lodging any claims they may be entitled to make for unpaid wages, holiday pay and other statutory entitlements from the National Insurance Fund and the Company
- Dealing with all post-appointment VAT and corporation tax compliance
- Liaison with secured creditors, obtaining charge documents and validating the security
- Initial assessment required by Statement of Insolvency Practice 2 including the review of the Company's books and records and the identification of potential further asset realisations which may be pursued in the liquidation
- Preparing and issuing annual progress reports to members and creditors
- Lodging periodic returns with the Registrar of Companies for the liquidation
- Establishing and holding periodic meetings of the liquidation committee and associated filing formalities (if a committee is appointed)
- Periodic case progression reviews (typically at the end of Month 1 and every 6 months thereafter). Although these reviews are not legal requirements, Regulatory Bodies who monitor the work of Office Holders see these tasks as best practice requirements with which the Office Holders are required to comply.

Investigations

My initial investigations indicate that potential recoveries may be available for the insolvent estate but extensive further work needs to be carried out to pursue certain rights of action. However, creditors should be mindful that this work may not necessarily lead to any financial benefit but only assist in ascertaining the final position.

It is our intention to carry out a wider investigation into the affairs of the Company, but subject to the availability of the funds in the estate. A provision for the anticipated time for the wider investigation has been included in the enclosed fee estimate. However, if there is no funding, these works may not be carried out.

The time estimated for additional work is the minimum that is considered necessary in order to carry out any meaningful assessment. Following this further assessment, the Liquidators would then be in a position to consider whether more specific and targeted work is necessary in order to investigate any instances of antecedent transactions and wrongful trading.

At the time of providing this estimate it is premature to say whether there will be any follow up enquiry into any misfeasance. However, as a Liquidator cannot be paid fees unless he has provided an estimate for the work, I have made a small estimate to cover this area in the event that some further work might be necessary.

DRAGON PAYMENTS LIMITED (FORMERLY LONDON BLOCK EXCHANGE LIMITED)
LIQUIDATOR'S FEE ESTIMATE

Realisation of assets

Although all known assets have been either realised or dealt with, some recovery may be possible from further investigation into the affairs of the Company.

As Joint Liquidators, we will undertake appropriate further investigations into the Company's affairs and will confirm the likely return to creditors in my next progress report, as applicable.

Creditors (claims and distributions)

The Joint Liquidators will have to deal with all secured, preferential and unsecured creditors' correspondence and claims as received, including any claims of creditors under retention of title.

We will deal with all queries as and when received, review and adjudicate on creditors' claims, as appropriate, if and when it is determined that a dividend is to be declared to that class of creditor.

It should be noted that the above is based on the information currently available and the projected realisable value of any additional Company assets, which at this stage is unconfirmed and may depend on the proposed investigatory work.

Based on current information, it appears unlikely that there will be a dividend payable to unsecured creditors. Accordingly, I have only provided an estimate for dealing with creditors' enquiries and for acknowledging their claims.

EXPENSES AND DISBURSEMENTS

As also noted, I am required to provide creditors with details of the expenses I consider will be, or are likely to be, incurred in the liquidation.

Direct expenses ("Category 1 disbursements")

Category 1 disbursements as defined by SIP 9, which can be specifically identified as relating to the administration of the case, will be charged to the estate at cost, with no uplift. These include, but are not limited to, such items as case advertising, bonding and other insurance premiums and properly reimbursed expenses incurred by personnel in connection with the case.

Below is a table which outlines the expenses that I consider at this stage will be, or are likely to be incurred in dealing with the Company's affairs. I will provide update to creditors in my future progress reports.

Expense	Basis of fee arrangement	Estimated Costs
Agent's costs in dealing with property/chattel asset sales	£500 plus VAT for valuation and 10% of gross asset realisations achieved	£2,000
Solicitor's costs in dealing with sale of assets/property/ antecedent transactions	Time Costs (plus disbursements)	To be Confirmed
Statutory advertising	At cost	£94.50
Liquidator's bond	At cost	£64.80

Indirect expenses ("Category 2 disbursements")

DRAGON PAYMENTS LIMITED (FORMERLY LONDON BLOCK EXCHANGE LIMITED)
LIQUIDATOR'S FEE ESTIMATE

Category 2 disbursements require approval from creditors. These are costs which are directly referable to the appointment in question but are not payments which are made to an independent third party and may include shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis such as internal room hire, document storage or business mileage. Approval to charge these will be sought from creditors when the basis of my remuneration as Liquidator is fixed. The Category 2 disbursements which this firm proposes to charge in this case are unlikely to exceed £2,000 overall and are as follows:-

Headed paper	25p per sheet
Photocopying	6p per sheet
Envelopes	25p each
Postage	Actual cost
Meeting room facility	£150

Storage and Archiving Charges

We use a commercial archiving company for storage facilities for companies' records and papers. This is recharged to the estate at the rate of £10 per box per quarter, and includes a small charge to cover the administration costs of maintaining the archiving database and retrieval of documents. We also use our own personnel and vehicle for collection of books and records for which we charge £60 per hour.

Travel

Mileage incurred as a result of any necessary travelling is charged to the estate at HM Revenue & Customs approved rate, currently 45p per mile.



**Dragon Payments Ltd (formerly London
Block Exchange Limited) (In Compulsory
Liquidation)**

THE HIGH COURT OF JUSTICE No. 001356 of 2019

Progress report

Period: 4 February 2021 to 3 February 2022

Important Notice

This progress report has been produced solely to comply with our statutory duty to report to creditors and members of the Company on the progress of the liquidation. The report is private and confidential and may not be relied upon, referred to, reproduced or quoted from, in whole or in part, by creditors and members for any purpose other than this report to them, or by any other person for any purpose whatsoever.

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1. INTERPRETATION

<u>Expression</u>	<u>Meaning</u>
"the Company"	Dragon Payments Ltd (formerly London Block Exchange Limited) (In Compulsory Liquidation)
"the liquidation"	The appointment of Joint liquidators by the Secretary of State pursuant to Section 137 of the Act on 4 February 2020.
"the Joint liquidators", "we", "our" and "us"	Paul Cooper and Paul Appleton of Begbies Traynor (London) LLP, 29th Floor, 40 Bank Street, London, E14 5NR
"the Act"	The Insolvency Act 1986 (as amended)
"the Rules"	The Insolvency (England and Wales) Rules 2016 (as amended)
"secured creditor" and "unsecured creditor"	Secured creditor, in relation to a company, means a creditor of the company who holds in respect of his debt a security over property of the company, and "unsecured creditor" is to be read accordingly (Section 248(1)(a) of the Act)
"security"	(i) In relation to England and Wales, any mortgage, charge, lien or other security (Section 248(1)(b)(i) of the Act); and (ii) In relation to Scotland, any security (whether heritable or moveable), any floating charge and any right of lien or preference and any right of retention (other than a right of compensation or set off) (Section 248(1)(b)(ii) of the Act)
"preferential creditor"	Any creditor of the Company whose claim is preferential within Sections 386, 387 and Schedule 6 to the Act

2. COMPANY INFORMATION

Trading name(s):	London Block Exchange
Company registered number:	10966096
Company registered office:	C/o Begbies Traynor, 29th Floor, 40 Bank Street, London, E14 5NR
Former trading address:	Kemp House, 160 City Road, London, EC1V 2NX

3. DETAILS OF APPOINTMENT OF LIQUIDATORS

Date of winding up order:	31 January 2020
Date of Joint Liquidators' appointment:	4 February 2020
Changes in liquidator (if any):	There has not been a change in the Office Holders since the original appointment date. However, it should be noted that, with effect from

17 March 2021, David Rubin & Partners became part of Begbies Traynor Corporate Recovery and Insolvency Practice. Further information in relation to Begbies Traynor and the Begbies Traynor Group can be accessed at: <http://www.begbies-traynorgroup.com>. The Joint Liquidators are now operating from offices at 29th Floor, 40 Bank Street, London E14 5NR

4. PROGRESS DURING THE PERIOD

This is our second progress report and should be read in conjunction with our previous progress report.

Receipts and Payments

Attached at Appendix 1 is our abstract of receipts and payments for the period 4 February 2021 to 3 February 2022 ("the Review Period"), which is further, explained below.

As previously reported, in a compulsory liquidation, the estate funds are held in an interest-bearing account with Insolvency Services. We have reconciled all Receipts and Payments with the Insolvency Service Account ("ISA"). Our cashbook balance matches with the balance held at this account.

Receipts

Bank Interest

During the Review Period, a net bank interest of £6.86 was received into the ISA account.

Payments

Legal Fees

A payment of £1,026.50 plus VAT was made to solicitors, Squire Patton Boggs (UK) LLP ("SPB"), for providing legal advice in respect of the ownership of the Domain Name and the transfer of the intellectual property to the purchaser. Further details are provided in section-6 below.

ISA Banking Fees

I am required by statute to deposit funds in the Estate account with the Insolvency Service. The Insolvency Service makes quarterly banking charges of £22 for operating the account.

Cheque Fees

This relates to the service fee payable on BACS or cheque payments made from ISA account. During the Review Period a fee of 15p each were incurred for two BACS payments.

Specific Bond

The specific bond is the cost of insurance, based on the level realisation achievable for the preferential and unsecured creditors, as required by the Insolvency Practitioners Regulations 2005. A payment of £44.80 was made in relation to the costs incurred in the previous anniversary period but charged to the estate during the Review Period.

What work has been done in the period of this report, why was that work necessary and what has been the financial benefit (if any) to creditors?

Details of the types of work that generally fall into the headings mentioned below are available on our firm's website - <http://www.begbies-traynorgroup.com/work-details>. Under the following headings we have explained the specific work that has been undertaken on this case. Not every piece of work has been described, but we have sought to give a proportionate overview which provides sufficient detail to allow creditors to understand what has been done, why it was necessary and what financial benefit (if any) the work has provided to creditors.

The costs incurred in relation to each heading are set out in the Time Costs Analysis, which is attached at Appendix 2. There is an analysis for the period of the report and also an analysis of time spent on the case since the date of our appointment.

The details below relate to the work undertaken in the period of the report only. This and the previous report provide details of the work undertaken since our appointment.

General case administration and planning

During the Review Period, the following work has been carried out as required either by statute or for the purposes of case management generally. Whilst many of these tasks do not have a direct financial benefit to creditors, they assist in the efficient and compliant progressing of the administration of the case, which ensures that work is carried out to high professional standards.

- Setting up our internal case management folders, both digital and paper;
- IPS set-up - creation and update of case files on the firm's insolvency software which include company information, creditors, customers and employees details;
- Capturing the Company's data on our internal electronic case management system and maintaining up to date information; and
- Carrying out regular case reviews of the Liquidation to monitor progression.

Compliance with the Insolvency Act, Rules and best practice

The Insolvency Practitioners are governed by the Insolvency Act and Rules, together with best practice guidelines known as Statements of Insolvency Practice (SIPs). Certain work is mandatory and must be carried out in every liquidation in order to comply with these guideline. However, many of these tasks do not have a direct financial benefit to creditors.

- Filing the appropriate documents relating to the Liquidation at Companies House;
- Carrying out regular bank reconciliations in line with best practice;
- Applying for, and reviewing, the Joint Liquidator's bond as required by the Insolvency Practitioners Regulations 2005;
- Periodic reviews of the application of ethical, anti-money laundering and anti-bribery safeguards; and

Investigations

It is possible that examination of the Company's statutory records and books of accounts may reveal potential assets of the Company that were not previously disclosed by the Directors and or certain rights of actions against the Directors and other relevant parties. A recovery can subsequently be achieved for the benefit of creditors as whole subject to the merits of the findings. With this in mind, we have reviewed the available books and records of the Company to investigate the affairs of the Company, reasons for the failure of the business and potential rights of actions that can be bought against relevant parties.

It should be noted that we are obliged to carry out only necessary investigations proportionate to the circumstances of the case, taking into account the public interest, potential recoveries, the likely funds available to fund an investigation either from the estate or from other sources, and the costs involved.

We carried out our initial assessment of whether there could be any matters that might lead to recoveries for the estate. This assessment considered information provided by creditors and the Director.

The initial investigation into the affairs of the Company, revealed potential rights of action as detailed in the previous report. As there being insufficient funds in the liquidation estate, creditors and customers were invited to fund the investigation but no funding received to proceed with further investigation.

The affairs of the Company are complex and due to the inability to finalise the investigation and draw conclusion on the merits of various potential claims, our initial investigations did not culminate in seeking appropriate legal advice or approach to a litigation funder for further assistance.

The investigations carried out to date have not resulted in a financial benefit to the creditors as a whole.

Realisation of Assets

In general, Insolvency Practitioners are required to maximise realisations for the benefit of the Company's creditors, and they will seek to realise all the Company's assets.

According to the Official Receiver's observation, there were no assets for the Company. However, having reviewed the books and records, it was noted that the Company's Domain Name 'lbx.com', provided by GoDaddy.com, had a potential value. Subsequently, the Domain Name was sold to a third-party Slovakian company, Senza Limiti S.R.O, for £15,000 plus VAT and realised the sale proceeds in full during the previous reporting period. There are no other known assets for the Company.

As there have been no other assets remaining to realise since the last progress report, no further recoveries were made during the Review Period.

Although the Joint Liquidators' actions resulted in a small recovery for the estate, it was not sufficient enough to provide a financial benefit to the creditors, after costs.

Dealing with all creditors' claims (including employees), correspondence and distributions

Generally correspondence from creditors has been dealt as and when received. Broadly, the time costs involved in this will be proportionate to the number of creditors. However, there will be instances where one creditor will have more queries than another, thereby increasing the time incurred substantially. During the Review Period, the following work undertaken in this respect should be noted:

- Liaising with customers, CFS-ZIPP Limited ("ZIPP") and Financial Conduct Authority ("FCA") in relation to the return of customer funds;
- Dealing with many extensive creditor and customer queries, both by correspondence and by telephone;
- Logging claims received onto our internal case management systems and acknowledging receipt; and
- Assessment of Receipts and Payments to date and review of likely dividend prospects.

The above work undertaken has not produced any financial benefit for creditors to date but has been carried out under best practice guidelines. The work undertaken was necessary to address those enquiries and establish the circumstances of creditor claims in the proceedings.

5. ESTIMATED OUTCOME FOR CREDITORS

Details of the sums owed to each class of the Company's creditors were provided in our previous progress report, and a further update in this regard is provided below.

Secured Creditor

There are no secured creditors in this liquidation.

Preferential Creditors

Claims from preferential creditors typically involve employee and occupation pension scheme claims.

The Company had thirteen employees. A significant element of the preferential amount has been paid by the Redundancy Payments Service ("RPS"), subject to statutory limit. A formal claim from the RPS in respect of its preferential claim has not yet received.

The employees may continue to have a preferential claim for any shortfall owed in respect of preferential element of arrears of wages and holiday pay, which was not paid by the RPS. This residual balance of preferential claim remains to be adjudicated.

It should be noted that outstanding amounts to employees in respect of Arrears of Wages in excess of £800 and Notice Pay entitlements will rank as unsecured claim in the proceedings.

Unsecured Creditors

As referred to in the previous report, the total deficiency to creditors in the proceedings estimated to be in excess of £6.2 million.

During the Review Period, a further claim of £19,270 was received, bringing the total value of claims received to date to £833,691 from 15 creditors. As there are insufficient funds in the estate to enable a dividend to unsecured creditors, the task of agreeing creditors' claims has not been undertaken.

Dividend Prospects

On the basis of realisations to date and estimated future realisations, the estimated outcome for each class of the Company's creditors are as follows:

Secured Creditor

There are no known secured claims.

Preferential Creditors

Based on current information, there will be insufficient funds, after costs, to enable a dividend to become payable to the Company's preferential creditors.

Prescribed Part for unsecured creditors pursuant to Section 176A of the Act

Section 176A of the Act provides that, where the company has created a floating charge on or after 15 September 2003, the Liquidator must make a prescribed part of the company's net property available for the unsecured creditors and not distribute it to the floating charge holder except in so far as it exceeds the amount required for the satisfaction of unsecured debts. Net property means the amount which would, were it not for this provision, be available to floating charge holders out of floating charge assets (i.e. after accounting for preferential debts and the costs of realising the floating charge assets). The prescribed part of the company's net property is calculated by reference to a sliding scale as follows:

- ❑ 50% of the first £10,000 of net property;
- ❑ 20% of net property thereafter;
- ❑ Up to a maximum amount to be made available of £600,000

A Liquidator will not be required to set aside the prescribed part of net property if:

- ❑ the net property is less than £10,000 and the Liquidator thinks that the cost of distributing the prescribed part would be disproportionate to the benefit; (Section 176A(3)) or

- the Liquidator applies to the court for an order on the grounds that the cost of distributing the prescribed part would be disproportionate to the benefit and the court orders that the provision shall not apply (Section 176A(5)).

To the best of our knowledge and belief, there are no unsatisfied floating charges created or registered on or after 15 September 2003 and, consequently, there is no net property as defined in Section 176A(6) of the Act and, therefore, no prescribed part of net property is available for distribution to the unsecured creditors

Unsecured Creditors

Based on realisations to date and estimated future realisations, there will be insufficient funds available to enable a dividend to be paid to the unsecured creditors.

6. REMUNERATION & EXPENSES

Remuneration

You will recall that, although an initial fee estimate of £126,252.50 was provided to the creditors, the approval of our remuneration only up to £92,760 was sought from the creditors, due to insufficient funds in the liquidation.

Accordingly, our remuneration has been fixed by a decision of the creditors via a decision procedure by way of correspondence on 9 April 2021 by reference to the time properly given by us as Joint Liquidators and the various grades of our staff calculated at the prevailing hourly charge out rates in attending to matters arising in the winding up as set out in our progress report dated 16 March 2021 in the sum of £92,760. We are also authorised to draw disbursements, including expenses for services provided by our firm (defined as category 2 disbursements in Statement of Insolvency Practice 9) in accordance with our firm's policy, which is attached at Appendix 2 of this report.

The time costs incurred by this office for the year ending 3 February 2022 totalled £60,625, which represents 210 hours and 6 minutes at an average rate of £289 per hour.

The total time costs in the period from commencement of the Liquidation up to 3 February 2022 amount to £153,583, which represents 510 hours and 18 minutes at an average rate of £301 per hour.

The following further information in relation to the time costs of the Joint Liquidators' office is set out at Appendix 2:

- Time Costs Analysis for the period 4 February 2021 to 3 February 2022 and the cumulative period from 4 February 2020 to 3 February 2022
- Each firm's charging policy

Based on the time costs incurred to date, we have exceeded the limit of our approved remuneration but not drawn any remuneration to date and the full amount of our time costs remains outstanding.

We have exceeded our fee estimate because a far degree of time has been spent for dealing with queries and complaints from the customers of the Company, arranging the return of customer funds and also for making enquiries into the affairs of the Company.

Time Costs Analysis

The Time Costs Analysis for the period of this report, attached at Appendix 2, shows the time spent by each grade of staff on the different types of work involved in the case and gives the total costs and average hourly rate charged

for each work type. An additional analysis is also attached, which details the time costs for the entire period that we have administered from commencement of the Liquidation.

Please note that each analysis provides details of the work undertaken by us and our staff following our appointment only.

The information provided in section 4 above relates to the work undertaken during the period of this report.

We anticipate that further costs will be incurred before the conclusion of the liquidation and for providing further final reports to creditors and other statutory obligations.

Although our total time costs have exceeded the initial fee estimate provided to creditors of £126,252.50, I have decided not to seek a further approval from creditors for a fee increase due to insufficient funds in the liquidation.

Category 1 Disbursements

Pursuant to the insolvency legislation, no formal approval for Category 1 Disbursements is required from the creditors.

There are accrued expenses incurred to date in respect of Statutory Advertising, which will be recharged to the Estate, in early course.

It should be noted that the following category-1 disbursements were re-charged to the estate during the Review Period:

	Estimated £	Incurred £
Joint Liquidators' Bond	65	45
Total	65	45

Specific Bond

The specific bond is the cost of insurance, based on the level of realisations by the Joint Liquidators, as required by the Insolvency Practitioners Regulations 2005.

Category 2 Disbursements

The approval to draw Category 2 disbursements in accordance with our firm's published tariff was obtained from creditors via a decision procedure by correspondence on 9 April 2021.

There are accrued expenses incurred during the Review Period in respect of postage and stationery. These are to be quantified in due course and will be recharged to the Estate, as appropriate.

A copy of 'A Creditors' Guide to Liquidators Fees (E&W) 2021' which provides guidance on creditors' rights on how to approve and monitor a Liquidator's remuneration and on how the remuneration is set can be obtained online at www.begbies-traynor.com/creditorsguides Alternatively, if you require a hard copy of the Guide, please contact our office and we will arrange to send you a copy.

7. LIQUIDATION EXPENSES

A statement of the expenses incurred during the period of this progress report is attached at Appendix 3. A cumulative statement showing the total expenses incurred since the date of our appointment also appears at Appendix 3

Petitioner's Costs

SPB, who is also acting for the petitioning creditor, advised that its time costs for the winding up petition amount to £98,187.50. It also incurred disbursements in excess of £12,000. However, the maximum amount available in the estate to discharge the petitioner's costs will be around £2,360 and as a result no further scrutiny of SPB's costs have been carried out.

The petitioning creditors' costs will be paid in accordance with Rule 7.108(4)(h) of the Rules.

Subcontractors

To 3 February 2022, no subcontractors have been utilised in this matter.

Professional Costs

No professional services were used but the following costs were charged to the estate during the Review Period:

Legal Fees

SPB was instructed to provide legal advice in respect of the ownership of the Domain Name and to entering into correspondence with a third party purporting to hold security over the Company's interest in the same. SPB's also assisted with the legalities of the unlocking of the Domain Name at GoDaddy.com and the transfer of the intellectual property to the purchaser. SPB's fees had been agreed on a time costs basis and its time costs in the sum of £1,026.50 plus VAT was paid out of the estate as an expense of the liquidation.

Expenses actually incurred compared to those that were anticipated

Creditors are advised that our original estimated expenses for the liquidation have not been exceeded and we do not expect it to be exceeded if matters progress to conclusion as envisaged.

8. ASSETS THAT REMAIN TO BE REALISED AND WORK THAT REMAINS TO BE DONE

What work remains to be done, why is this necessary and what financial benefit (if any) will it provide to creditors?

General case administration and planning

The work proposed to be undertaken under this heading before the conclusion of the liquidation includes maintaining contemporaneous documents both on file and electronically of any key decisions materially affecting the case, reviewing, continuously monitoring and progressing the liquidation.

As we proceed with the administration of this case, we will continue to incur further costs for many of the tasks set out in section 4 but these will not have a direct financial benefit to creditors. However, they assist in the efficient and compliant progressing of the administration of the case, which ensures that work is carried out to the required professional standard.

Compliance with the Insolvency Act, Rules and best practice

Continue to comply with best practice guidelines in accordance with the Act, the Rules and the Statements of Insolvency Practice (SIPs), notwithstanding that many of these tasks do not have a direct financial benefit to creditors.

- Regular compliance and strategy reviews;
- Regular bond reviews;

- Regular bank reconciliations;
- File this progress report with Companies House and
- Prepare final account.

Whilst the above work has no direct financial benefit to creditors, the tasks are statutory and/or regulatory compliance requirements that need to be fulfilled by the Joint Liquidators to ensure the efficient and compliant administration of the matter.

Investigations

Although certain potential rights of action against the Directors or other beneficiaries have been identified, due to a lack of funds in the estate, a detailed further investigation has not been considered or proposed.

It appears that there is no certainty as to whether any financial benefits can be achieved for the creditors, following the completion of various pending investigations, as the costs of further investigation may outweigh any benefits achievable.

Realisation of assets

All known assets of the Company have been either realised or dealt with.

Dealing with all creditors' claims (including employees) and correspondence

During the Review Period, we liaised with the petitioning creditor and was advised that the petitioning costs are in the region of £112,000. Although the petitioning costs appear to be high, there is insufficient funds to defray its costs in full. The balance of funds held in the liquidation estate will be used to settle the petitioning creditor's costs insofar as possible and we will liaise with SPB in this regard.

Although there are no prospects of a dividend distribution to any class of creditor, there are anticipated to be enquires from creditors and claims to be lodged from creditors who have not yet submitted a claim in the proceedings. Additionally, there will be a need to provide final report to creditors to conclude the Liquidation.

How much will this further work cost?

As reported above, additional work is necessary in order that we may complete the Liquidation as envisaged and further costs will be incurred in completing those tasks.

The costs of future work are estimated to be in the region of £5,000, which is in addition to the time costs incurred to date, as reported in section 6 above.

Notwithstanding the anticipated further costs in this liquidation, we do not intend seeking further fee approval from creditors at this juncture, given there are insufficient funds in the estate. However, this would be subject to further consideration should any future realisations become available for the estate.

Expenses

Details of the expenses that we expect to incur in connection with the work that remains to be done are as set out in the estimate of anticipated expenses sent to creditors on 16 March 2021, which included all the expenses that we anticipate being incurred throughout the liquidation.

What is the anticipated payment for administering the case in full?

Based on the current and the future costs, the total costs of administering the liquidation would be in the region of £158,583

At this stage, no remuneration can be drawn from the liquidation estate. However, should there be additional or unexpected asset realisations, we will look to draw our remuneration from those too, capped at the level approved by creditors.

9. OTHER RELEVANT INFORMATION

Customer Funds

As previously reported, ZIPP (Company number 03925386), has been holding customer funds in GBP and we assisted the return of further monies to some customers in the Review Period. We also liaised with the FCA in respect of balance of customers funds held by ZIPP. Following further correspondence, ZIPP has agreed that it will continue to safeguard the balance of funds it is holding pending the return of the same to the relevant customers, even after the dissolution of the Company. Any customers who believe that ZIPP is holding their funds in GBP, they should make contact with ZIPP by emailing at enquiries.dragonpayments@cfszipp.com.

It should be noted that the funds held by ZIPP relates to fiat currency only and that it can return only the balance of funds held in the customer's name, in GBP. It should also be noted that the Joint Liquidators did not realise any of the customers' monies into the liquidation estate, instead attempted to return these funds to customers with the assistance of ZIPP. However, these funds may be less than the original investment made by customers due to subsequent transactions into other investment vehicles through the Company.

Please be advised that neither the Company nor ZIPP holds any crypto assets and, therefore, are unable to deal with any enquires relating to investments in cryptocurrencies.

It may be possible that customers may have made payments through the Company to invest in cryptocurrencies but could ultimately be a customer of Mayan Block Ltd (now known as Solarsteinn Ltd) under the arrangement you have agreed either with the Company or Mayan Block Ltd. As some of the customers' investments are in an unregulated business/market, they should take their own legal advice to recover any cryptocurrencies, as applicable.

Investigations

As advised above, a Liquidator has a duty to enquire into the affairs of an insolvent company to determine its property and liabilities and to identify any actions which could lead to the recovery of funds.

Shortly after appointment, we made an initial assessment of whether there could be any matters that might lead to recoveries for the estate and what further investigations may be appropriate.

As detailed under section 4, we are unable to proceed with any further investigation and will proceed with the conclusion of the liquidation in early course.

Connected party transactions

We have not been made aware of any sales of the Company's assets to connected parties.

Use of personal information

Please note that in the course of discharging our statutory duties as Joint Liquidators, we may need to access and use personal data, being information from which a living person can be identified. Where this is necessary, we are required to comply with data protection legislation. If you are an individual and you would like further information about your rights in relation to our use of your personal data, you can access the same at <https://www.begbies-traynorgroup.com/privacy-notice>. If you require a hard copy of the information, please do not hesitate to contact me.

10. CREDITORS' RIGHTS

Right to request further information

Pursuant to Rule 18.9 of the Rules, within 21 days of the receipt of this report a secured creditor, or an unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors, including that creditor, (or an unsecured creditor with less than 5% in value of the unsecured creditors, but with the permission of the court) may request in writing that I provide further information about our remuneration or expenses which have been incurred during the period of this progress report.

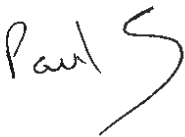
Right to make an application to Court

Pursuant to Rule 18.34 of the Rules, any secured creditor or any unsecured creditor with the concurrence of at least 10% in value of the unsecured creditors including that creditor, (or any unsecured creditors with less than 10% in value of the unsecured creditors, but with the permission of the court) may, within 8 weeks of receipt of this progress report, make an application to court on the grounds that the remuneration charged or the expenses incurred during the period of this progress report are excessive or, the basis fixed for our remuneration is inappropriate.

11. CONCLUSION

We do not anticipate any further realisations to be made in this matter. Also, there is no funding to proceed with any further investigation into the affairs of the Company. Accordingly, we are now proceeding to conclude the liquidation.

We trust you will find this report adequate for your purposes, but should you require any further information, please do not hesitate to contact, in the first instance, either our Senior Manager, Darren Ellis, or his colleague, Riji GopiNathan, at this office.

A handwritten signature in black ink, appearing to read 'Paul S', with a long, sweeping horizontal stroke extending to the right.

Paul Cooper
Joint Liquidator

Dated: 21 March 2022

ACCOUNT OF RECEIPTS AND PAYMENTS

Period: 4 February 2021 to 3 February 2022

DRAGON PAYMENTS LTD (FORMERLY LONDON BLOCK EXCHANGE LIMITED)

IN LIQUIDATION

Liquidator's Abstract of Receipts & Payments

For the Period 4 February 2021 to 3 February 2022

	<u>Estimated to</u>	<u>Total</u>	<u>Realised</u>
	<u>Realise</u>		<u>3 Feb 2022</u>
	£	£	£
<u>Receipts</u>			
Domain Name	Nil	15,000.00	
Petitioner's Deposit	Nil	1,600.00	
Bank Interest Net	Nil	6.86	6.86
	Nil	16,606.86	6.86
<u>Payments</u>			
Company Administration Fee - Official Receiver		5,000.00	
General Fee - Official Receiver		6,000.00	
Agents Fees		2,000.00	
legal Fees		1,026.50	1,026.50
Insolvency Services Banking Fees		176.00	88.00
ISA Cheque Fees		0.30	0.30
Specific Bond		44.80	44.80
		14,247.60	1,159.60
Receipts less Payments		2,359.26	(1,152.74)
Represented by:-			
Insolvency Services Account		4,753.96	(1,358.04)
Net VAT Receivable/(Payable)		(2,394.70)	205.30
		2,359.26	(1,152.74)

COSTS AND EXPENSES

- a. Begbies Traynor (London) LLP's charging policy
- b. Time Costs Analysis for the period from 4 February 2021 to 3 February 2022
- c. Time Costs Analysis for the cumulative period from 4 February 2020 to 3 February 2022

Charging Policy (Begbies Traynor)

Introduction

This note applies where a licensed insolvency practitioner in the firm is acting as an office holder of an insolvent estate and creditors have approved the office holder to draw remuneration on one or a combination of the bases allowed under The Insolvency (England & Wales) Rules 2016. These bases are:

- As a percentage of the value of the assets realised and/or distributed;
- On a time costs basis; or
- As a set amount.

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The office holder has overall responsibility for the administration of the estate. He/she will delegate tasks to members of staff. Such delegation assists the office holder as it allows him/her to deal with the more complex aspects of the case and ensures that work is being carried out at the appropriate level. There are various levels of staff that are employed by the office holder and these appear below.

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Expenses incurred by Office Holders in respect of the administration of insolvent estates

Best practice guidance classifies expenses into two broad categories:

- ❑ *Category 1 disbursements (approval not required) - specific expenditure that is directly related to the case and referable to an independent external supplier's invoice. All such items are charged to the case as they are incurred.*
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Expenses which should be treated as Category 2 disbursements (approval required) – in addition to the two categories referred to above, best practice guidance indicates that where payments are to be made to outside parties in which the office holder or his firm or any associate has an interest, these should be treated as Category 2 disbursements.

The following Category 2 expenditures have been approved by Creditors and may be charged to the case:

- ❑ *Car mileage is charged at the rate of 45 pence per mile;*
- ❑ *Storage of books and records: We use a commercial archiving company for storage facilities for companies' records and papers. This is recharged to the estate at the rate of £10 per box per quarter, and includes a small charge to cover the administration costs of maintaining the archiving database and retrieval of documents. We also use our own personnel and vehicle for collection of books and records for which we charge £50 per hour;*
- ❑ *Internal meeting room usage for the purpose of physical meetings of creditors is charged at the rate of 150 per meeting;*
- ❑ *Headed paper and photocopying at 25p per sheet and 6p per sheet, respectively;*
- ❑ *Envelopes at 25p each; and*
- ❑ *Postage at actual cost.*

Charge-Out Rates

David Rubin & Partners were acquired by Begbies Traynor on 17 March 2021. In the Period, the following charge-out rates applied, as disclosed to Creditors when seeking approval for Liquidators Remuneration.

	Charge-out rate (£ per hour) 1 March 2019 – until further notice
Grade of staff	
Senior / Managing Partners	550
Partners/Office holders	495
Managers / Senior Managers	350 - 395
Senior Administrators	220 - 295
Administrators	160 - 200
Cashiers and Assistants	150 - 295
Support Staff	120 - 150

Time is recorded in 6 minute units.

SIP9 Dragon Payments Ltd - Winding Up Compulsory
Time Costs Analysis From 04/02/2021 To 03/02/2022

[illegible]

SIP9 Dragon Payments Ltd - Winding Up Compulsory -
Time Costs Analysis From 04/02/2020 To 03/02/2022

[illegible]

STATEMENT OF EXPENSES

Type of expense	Name of party with whom expense incurred	Amount incurred £	Amount discharged £	Balance (to be discharged) £
Specific Bond	AXA Insurance	44.80	44.80	Nil

Specific Bond

The specific bond is the cost of insurance, based on the level of realisations by the Joint Liquidators, as required by the Insolvency Practitioners Regulations 2005.

CUMULATIVE STATEMENT OF EXPENSES

Type of expense	Name of party with whom expense incurred	Amount incurred £
Agent's fees	Williams & Partners Ltd	2,000
Legal fees	Squire Patton Boggs (UK) LLP	1,027
Specific Bond	AXA Insurance	45
Statutory Advertising	Courts Advertising	105

ADDITIONAL EXPENSES ANTICIPATED FOR FUTURE WORK

Expenses anticipated to be incurred prior to closure of the case	Name of party with whom expense anticipated to be incurred	Amount estimated to cost £
Stationery & Postage	Begbies Traynor	£25

Stationery & Postage

Postage, Stationery and Incidentals represents the recovery of costs for stationery, postage and telephone costs for all correspondence and reports sent to the Company's creditors and also its members. Headed paper and pre-printed envelopes were recharged at 25 pence per unit, whilst photocopying, including paper, was recharged at 6 pence per copy.



Dragon Payments Ltd
(formerly London Block Exchange Limited)
(In Compulsory Liquidation)

THE HIGH COURT OF JUSTICE No. 001356 of 2019

Final report and account of the liquidation

Period: 22 February 2022 to 6 June 2022

Important Notice

This report has been produced solely to comply with our statutory duty to report to creditors pursuant to Section 146 of the Insolvency Act 1986. This report is private and confidential and may not be relied upon, referred to, reproduced or quoted from, in whole or in part, by creditors for any purpose other than this report to them, or by any other person for any purpose whatsoever.

Contents

- ❑ Interpretation
- ❑ Company and liquidators' details
- ❑ Progress since appointment
- ❑ Unrealisable assets
- ❑ Outcome of investigations
- ❑ Outcome for creditors
- ❑ Remuneration and expenses
- ❑ Expenses
- ❑ Other relevant information
- ❑ Closure of the liquidation
- ❑ Appendices
 - 1. Joint Liquidators' account of receipts and payments
 - 2. Joint Liquidators' time costs and expenses
 - 3. Statement of Expenses

1. INTERPRETATION

<u>Expression</u>	<u>Meaning</u>
"the Company"	Dragon Payments Ltd (formerly London Block Exchange Limited) (In Compulsory Liquidation)
"the liquidation"	The appointment of Joint liquidators by the Secretary of State pursuant to Section 137 of the Act on 4 February 2020.
"the Joint Liquidators", "we", "our" and "us"	Paul Cooper and Paul Appleton of Begbies Traynor (London) LLP, 29th Floor, 40 Bank Street, London, E14 5NR
"the Act"	The Insolvency Act 1986 (as amended)
"the Rules"	The Insolvency (England and Wales) Rules 2016 (as amended)
"secured creditor" and "unsecured creditor"	Secured creditor, in relation to a company, means a creditor of the company who holds in respect of his debt a security over property of the company, and "unsecured creditor" is to be read accordingly (Section 248(1)(a) of the Act)
"security"	(i) In relation to England and Wales, any mortgage, charge, lien or other security (Section 248(1)(b)(i) of the Act); and (ii) In relation to Scotland, any security (whether heritable or moveable), any floating charge and any right of lien or preference and any right of retention (other than a right of compensation or set off) (Section 248(1)(b)(ii) of the Act)
"preferential creditor"	Any creditor of the Company whose claim is preferential within Sections 386, 387 and Schedule 6 to the Act

2. COMPANY AND LIQUIDATORS' DETAILS

Trading name(s)	London Block Exchange
Company registered number:	10966096
Nature of business:	Cryptocurrency Exchange
Registered office address:	c/o Begbies Traynor, 29th Floor, 40 Bank Street, London, E14 5NR
Former trading address:	Kemp House, 160 City Road, London, EC1V 2NX
Date of winding up petition:	29 January 2020
Date of winding up order:	31 January 2020
Date of Joint Liquidators' appointment:	4 February 2020
Changes in liquidator(s) (if any):	None

3. PROGRESS SINCE OUR LAST REPORT

This is our final report and account of the liquidation and should be read in conjunction with the progress reports to creditors dated 16 March 2021 and 21 March 2022.

Receipts and Payments

Attached at Appendix 1 is a summary of our account of receipts and payments account ("R&P") for the period from 4 February 2022 to 6 June 2022 ("the Final Period") and the cumulative total to date.

In general, in a compulsory liquidation, the Insolvency Practitioner is required by statute to hold all the estate funds in an interest-bearing Insolvency Services Account ("ISA"). Also, two fees such as the Administration and General fee will become payable to the Official Receiver ("the OR") who was initially appointed as the officeholder. Accordingly, the ISA was in a debit balance for the General and Administrative fees payable to the OR, prior to our appointment. This debit balance was settled from the petitioner's deposit and post-appointment realisations. For the sake of clarity, all payments to the OR were reflected in the attached R&P.

We confirm that our R&P has been reconciled with the ISA.

Receipts

Bank Interest

Net interest earned on the funds held in the ISA during the Final Period amounted to £5.32.

Payments

Petitioning creditors' costs

The petitioning creditors' costs of £2,320.28 was paid in accordance with Rule 7.108(4)(h)) of the Rules. Further details are provided in section-6 below.

ISA Banking Fees

The Insolvency Service charges a quarterly banking fee of £22 for operating the ISA account. Further charges totalling £44 were accrued in the Final Period.

Cheque Fees

During the Final Period two BACS payments were made incurring a fee of 15p for each payment.

What work has been done in the period of this report, why was that work necessary and what has been the financial benefit (if any) to creditors?

Details of the types of work that generally fall into the headings mentioned below are available on our firm's website - <http://www.begbies-traynorgroup.com/work-details> Under the following headings we have explained the specific work that has been undertaken on this case. Not every piece of work has been described, but we have sought to give a proportionate overview which provides sufficient detail to allow creditors to understand what has been done, why it was necessary and what financial benefit (if any) the work has provided to creditors.

It should be noted that the details below relate to the work undertaken in the period of the report only. This and the previous reports provide details of the work undertaken since our appointment.

The costs incurred in relation to each heading are set out in the Time Costs Analysis, which is attached at Appendix 2. There is an analysis for the period of the report and also an analysis of time spent on the case since the date of our appointment.

General case administration and planning

During the Final Period, the following work has been carried out as required either by statute or for the purposes of case management generally. Whilst many of these tasks do not have a direct financial benefit to creditors, they assist in the efficient and compliant progressing of the administration of the case, which ensures that work is carried out to high professional standards.

- Maintaining our internal case management folders, both digital and paper;
- Updating of case files on the firm's insolvency software called IPS which include company information, creditors, customers and employees details;
- Capturing the Company's data on our internal electronic case management system and maintaining up to date information; and
- Carrying out regular case reviews of the Liquidation to monitor progression.

Compliance with the Insolvency Act, Rules and best practice

The Insolvency Practitioners are governed by the Insolvency Act and Rules, together with best practice guidelines known as Statements of Insolvency Practice (SIPs). Certain work is mandatory and must be carried out in every liquidation in order to comply with these guideline. However, many of these tasks do not have a direct financial benefit to creditors.

- Reviewing the Joint Liquidators' bond as required by the Insolvency Practitioners Regulations 2005;
- Preparation and circulation of annual progress reports and Receipts and Payments Account to creditors pursuant to S104A of the Insolvency Act 1986 and submission of same to the Registrar of Companies;
- Periodic reviews of the application of ethical, anti-money laundering and anti-bribery safeguards;
- Carrying out regular bank reconciliations in line with best practice; and
- Carrying out regular case reviews of the Liquidation to monitor case progression
- Preparation of Final Report.

Investigations

No investigation work was carried out during the Final Period.

The investigations carried out to date have not resulted in a financial benefit to the creditors as a whole.

Realisation of Assets

No further recoveries were made during the Final Period.

Although the Joint Liquidators' overall actions resulted in a small recovery for the estate, it was not sufficient enough to provide a financial benefit to the creditors, after costs.

Dealing with all creditors' claims (including employees), correspondence and distributions

During the Final Period, the following work undertaken should be noted:

- Extensive correspondence with CFS-ZIPP Limited ("ZIPP") and Financial Conduct Authority ("FCA") in relation to the return of customer funds;
- Dealing with a large volume of queries from creditors and customers both by correspondence and by telephone; and
- Corresponding with Squire Patton Boggs in respect of their costs associated with the petition.

The above work undertaken was necessary to address the enquiries from the relevant parties but such work has not produced any financial benefit for creditors.

4. UNREALISABLE ASSETS

According to the Official Receiver's observation, there were no realisable assets for the Company. However, we were successful in selling the Company's Domain Name to a third-party Slovakian company, Senza Limiti S.R.O, for £15,000 plus VAT. There are no other known assets for the Company.

5. OUTCOME OF INVESTIGATIONS

A liquidator has a duty to enquire into the affairs of an insolvent company to determine its property and liabilities and to identify any actions which could lead to the recovery of assets. We can confirm that we have discharged our duties in these respects. Further information relating to our investigations can be found in our previous progress reports to creditors.

As reported in our last progress report, customers who believe that ZIPP (Company number 03925386) are holding their funds in GBP should contact them at enquiries.dragonpayments@cfszipp.com.

6. OUTCOME FOR CREDITORS

Details of the sums owed to each class of the Company's creditors were provided in our previous progress reports. No additional claims have been received since our last progress report.

In summary, the estimated outcome for each class of the Company's creditors are as follows,

Secured Creditor

There are no known secured claims.

Preferential Creditors

Claims from preferential creditors typically involve employee and occupation pension scheme claims.

Based on current information, there will be insufficient funds, after costs, to enable a dividend to become payable to the Company's preferential creditors.

Prescribed Part for unsecured creditors pursuant to Section 176A of the Act

Section 176A of the Act provides that, where the company has created a floating charge on or after 15 September 2003, the Liquidator must make a prescribed part of the company's net property available for the unsecured creditors and not distribute it to the floating charge holder except in so far as it exceeds the amount required for the satisfaction of unsecured debts. Net property means the amount which would, were it not for this provision, be available to floating charge holders out of floating charge assets (i.e. after accounting for preferential debts and the costs of realising the floating charge assets). The prescribed part of the company's net property is calculated by reference to a sliding scale as follows:

- ☐ 50% of the first £10,000 of net property;
- ☐ 20% of net property thereafter;
- ☐ Up to a maximum amount to be made available of £600,000

A Liquidator will not be required to set aside the prescribed part of net property if:

- the net property is less than £10,000 and the Liquidator thinks that the cost of distributing the prescribed part would be disproportionate to the benefit; (Section 176A(3)) or
- the Liquidator applies to the court for an order on the grounds that the cost of distributing the prescribed part would be disproportionate to the benefit and the court orders that the provision shall not apply (Section 176A(5)).

To the best of our knowledge and belief, there are no unsatisfied floating charges created or registered on or after 15 September 2003 and, consequently, there is no net property as defined in Section 176A(6) of the Act and, therefore, no prescribed part of net property is available for distribution to the unsecured creditors

Unsecured creditors

We are required by the Insolvency (England & Wales) Rules 2016 to inform creditors if:

- (a) I intend to declare a final dividend;
- (b) if no dividend will be declared; or
- (c) if no further dividend will be declared.

In this case, no dividend is available for unsecured creditors as the funds realised have already been used or allocated for defraying the expenses of the liquidation. Consequently, we have not taken steps to formally agree the claims of unsecured creditors.

7. REMUNERATION AND EXPENSES

Remuneration

Our remuneration has been fixed by a decision of creditors, via a decision procedure by way of correspondence, on 9 April 2021 by reference to the time properly given by us as Joint Liquidators and the various grades of our staff calculated at the prevailing hourly charge out rates in attending to matters arising in the winding up as set out in our progress report dated 16 March 2021 in the sum of £92,760. We are also authorised to draw disbursements, including expenses for services provided by our firm (defined as category 2 disbursements in Statement of Insolvency Practice 9) in accordance with our firm's policy, which is attached at Appendix 2 of this report.

The time costs incurred by this office for the period 22 March 2022 to 6 June 2022 totalled £19,771.50 which represents 68 hours and 42 minutes at an average rate of £287.79 per hour.

The total time costs in the period from commencement of the Liquidation up to 6 June 2022 amount to £173,354.00, which represents 579 hours at an average rate of £299.40 per hour.

The following further information in relation to the time costs of the Joint Liquidators' office is set out at Appendix 2:

- ☐ Time Costs Analysis for the period 4 February 2022 to 6 June 2022 and the cumulative period from 4 February 2020 to 6 June 2022
- ☐ Begbies Traynor (London) LLP's charging policy

We have not drawn any remuneration to date. Given the lack of funds in this case, our total time costs will be written off.

As previously advised, we have exceeded our fee estimate because a greater degree of time has been spent for dealing with queries and complaints from the customers of the Company, arranging the return of customer funds and for making enquiries into the affairs of the Company.

Time Costs Analysis

The Time Costs Analysis for the period of this report, attached at Appendix 2, shows the time spent by each grade of staff on the different types of work involved in the case and gives the total costs and average hourly rate charged for each work type. An additional analysis is also attached, which details the time costs for the entire period that we have administered from commencement of the Liquidation.

Please note that each analysis provides details of the work undertaken by us and our staff following our appointment only.

The information provided in section 3 above relates to the work undertaken during the period of this report. However, it should be noted that further time costs will be incurred between the date of this report and the filing of the Final Report with Court and Companies House, mainly for the following

- Issuing this Final Report to the relevant parties including OR, the Insolvency Service and the creditors of the Company;
- Filing of Final Report at Companies House and with Court
- Updating physical and electronic case records following closure.

What was the anticipated payment for administering the case in full and did the joint liquidators receive that payment?

We estimated that the cost of administering the case would be in the region of £126,252.50, and the creditors provided approval to draw our remuneration up to £92,760. However, there were insufficient funds in the estate to draw any remuneration.

A copy of 'A Creditors' Guide to Liquidators Fees (E&W) 2021' which provides guidance on creditors' rights on how to approve and monitor a Liquidator's remuneration and on how the remuneration is set can be obtained online at www.begbies-traynor.com/creditorsguides. Alternatively, if you require a hard copy of the Guide, please contact our office and we will arrange to send you a copy.

Category 1 Expenses

Pursuant to the insolvency legislation, no formal approval for Category 1 Disbursements is required from the creditors.

To date, we have discharged expenses in the sum of £45 incurred for the statutory bond.

Category 2 Expenses

The approval to draw Category 2 disbursements in accordance with our firm's published tariff was obtained from creditors via a decision procedure by correspondence on 9 April 2021.

There are accrued expenses incurred in respect of postage and stationery but due to insufficient funds we are unable to re-charge those costs to the Estate.

Subcontractors

To date, no subcontractors have been utilised in this matter.

8. EXPENSES

A statement of the expenses incurred since our last progress report is attached at Appendix 3. A cumulative statement showing the total expenses incurred since the date of our appointment also appears at Appendix 3.

Petitioner's Costs

Petitioning creditor's solicitors Squire Patton Boggs (UK) LLP advised that its time costs for the winding up petition amount to £98,187.50. It also incurred disbursements in excess of £12,000. However, there being insufficient funds in the estate, a payment of £2,320.28 was made in settlement of its costs and the balance remains outstanding.

The petitioning creditors' costs have been paid in accordance with Rule 7.108(4)(h) of the Rules.

Professional Costs

No professional services were used during the Final Period.

Please review our previous reports in respect of professionals used in this case, to date.

Expenses actually incurred compared to those that were anticipated

Creditors are advised that our original estimated expenses for the liquidation have not been exceeded.

9. OTHER RELEVANT INFORMATION

Use of personal information

Please note that although it is our intention to conclude the liquidation, in the course of us continuing to discharge our statutory duties as Joint Liquidators, we may need to access and use personal data, being information from which a living person can be identified. Where this is necessary, we are required to comply with data protection legislation. If you are an individual and you would like further information about your rights in relation to our use of your personal data, you can access the same at <https://www.begbies-traynorgroup.com/privacy-notice>. If you require a hard copy of the information, please do not hesitate to contact us.

Right to request further information

Pursuant to Rule 18.9 of the Rules, within 21 days of the receipt of this report a secured creditor, or an unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors, including that creditor, (or an unsecured creditor with less than 5% in value of the unsecured creditors, but with the permission of the court) may request in writing that we provide further information about our remuneration or expenses which have been incurred during the period of this progress report.

Right to make an application to court

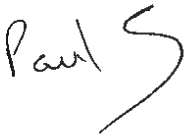
Pursuant to Rule 18.34 of the Rules, any secured creditor or any unsecured creditor with the concurrence of at least 10% in value of the unsecured creditors including that creditor, (or any unsecured creditors with less than 10% in value of the unsecured creditors, but with the permission of the court) may, within 8 weeks of receipt of this progress report, make an application to court on the grounds that the remuneration charged or the expenses incurred during the period of this progress report are excessive or, the basis fixed for our remuneration is inappropriate.

10. CLOSURE OF THE LIQUIDATION

We consider that the winding up of the Company is now complete.

Unless creditors object, by giving notice in writing within 8 weeks of the delivery of this report, we will have our release from liability at the same time as vacating office. We will vacate office upon our filing with the court and delivering to the Registrar of Companies our final account. Further information in relation to this has been provided in the notice of our final account.

Should you require further explanation of matters contained in this report, you should contact our office and speak to the case manager, Darren Ellis in the first instance, who will be pleased to assist.

A handwritten signature in black ink, appearing to read 'Paul S', with a long, sweeping horizontal stroke extending to the right.

Paul Cooper
Joint Liquidator

Dated: 6 June 2022

ACCOUNT OF RECEIPTS AND PAYMENTS

Period: For the period 4 February 2022 to 6 June 2022

	<u>Estimated to</u>	<u>Total</u>	<u>Realised</u>
	<u>Realise</u>		<u>6 June 2022</u>
	£	£	£
<u>Receipts</u>			
Domain Name	Nil	15,000.00	
Petitioner's Deposit	Nil	1,600.00	
Bank Interest Net	Nil	12.18	5.32
	Nil	16,612.18	5.32
<u>Payments</u>			
Company Administration Fee - Official Receiver		5,000.00	
General Fee - Official Receiver		6,000.00	
Agents Fees		2,000.00	
Petitioners Costs		2,320.28	2,320.28
legal Fees		1,026.50	
Insolvency Services Banking Fees		220.00	44.00
ISA Cheque Fees		0.60	0.30
Specific Bond		44.80	
		16,612.18	2,364.58
Receipts less Payments		Nil	(2,359.26)
Represented by:-			
Insolvency Services Account		Nil	
		Nil	

COSTS AND EXPENSES

- a. Begbies Traynor (London) LLP's charging policy
- b. Time Costs Analysis for the period from 4 February 2022 to 6 June 2022
- c. Time Costs Analysis for the cumulative period from 4 February 2020 to 6 June 2022

Dragon Payments Ltd SIP9 Report- Time Costs Analysis From 04/02/2022 To 06/06/2022

[illegible]

Dragon Payments Ltd- SIP-9 Report : Time Costs Analysis From 04/02/2020 To 06/06/2022

[illegible]

Charging Policy (Begbies Traynor)

Introduction

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- As a percentage of the value of the assets realised and/or distributed;
- On a time costs basis; or
- As a set amount.

Office holder's fees in respect of the administration of insolvent estates

The office holder has overall responsibility for the administration of the estate. He/she will delegate tasks to members of staff. Such delegation assists the office holder as it allows him/her to deal with the more complex aspects of the case and ensures that work is being carried out at the appropriate level. There are various levels of staff that are employed by the office holder and these appear below.

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Expenses incurred by Office Holders in respect of the administration of insolvent estates

Best practice guidance classifies expenses into two broad categories:

- ❑ *Category 1 disbursements (approval not required) - specific expenditure that is directly related to the case and referable to an independent external supplier's invoice. All such items are charged to the case as they are incurred.*
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The following Category 2 expenditures have been approved by Creditors and may be charged to the case:

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- ❑ *Internal meeting room usage for the purpose of physical meetings of creditors is charged at the rate of 150 per meeting;*
- ❑ *Headed paper and photocopying at 25p per sheet and 6p per sheet, respectively;*
- ❑ *Envelopes at 25p each; and*
- ❑ *Postage at actual cost.*

Charge-Out Rates

David Rubin & Partners were acquired by Begbies Traynor of 17 March 2021. In the Period, the following charge-out rates applied, as disclosed to Creditors when seeking approval for Liquidators Remuneration.

	Charge-out rate (£ per hour) 1 March 2019 – until further notice
Grade of staff	
Senior / Managing Partners	550
Partners/Office holders	495
Managers / Senior Managers	350 - 395
Senior Administrators	220 - 295
Administrators	160 - 200
Cashiers and Assistants	150 - 295
Support Staff	120 - 150

Time is recorded in 6 minute units.

STATEMENT OF EXPENSES

For the Final Period

Type of expense	Name of party with whom expense incurred	Amount incurred £	Amount discharged £	Balance (to be discharged) £
None				

CUMULATIVE STATEMENT OF EXPENSES

Type of expense	Name of party with whom expense incurred	Amount incurred £
Agent's fees	Williams & Partners Ltd	2,000
Legal fees	Squire Patton Boggs (UK) LLP	1,027
Specific Bond	AXA Insurance	45
Statutory Advertising	Courts Advertising	105

**DRAGON PAYMENTS LTD
(FORMERLY LONDON BLOCK EXCHANGE LIMITED)
(IN COMPULSORY LIQUIDATION)
REGISTERED COMPANY NUMBER: 10966096**

**NOTICE OF FINAL ACCOUNT UNDER RULE 7.71 OF THE INSOLVENCY (ENGLAND
AND WALES RULES) 2016**

1. The Company's affairs are fully wound up.
2. Within 21 days of the receipt the final account, creditors with at least 5% in value of the unsecured creditors or with the permission of the court, may request in writing or make an application to court, that the Joint Liquidator provide further information about his remuneration or expenses as set out in the final report.
3. Any creditors, with at least 10% in value of the unsecured creditors or with permission of the court, may within 8 weeks after receipt of the final report make an application to court on the grounds that, in all the circumstances, the basis fixed for the Joint Liquidator's remuneration is inappropriate and/or the remuneration charged or the expenses incurred by the Joint Liquidator, as set out in the final account, are excessive.
4. A creditor may object to the release of the Joint Liquidators by giving notice in writing to the Joint Liquidators before the end of the prescribed period.
5. The prescribed period is the period ending at the later of:
 - a. eight weeks after delivery of this notice, or
 - b. if any request for information as detailed in point 2 above is received or an application to court made as detailed in point 3 above, when that request or application is finally determined.
6. The Joint Liquidators will vacate office under Section 172(8) of the Insolvency Act 1986, as soon as the Joint Liquidators have filed their final account with the Court and delivered the same to the Registrar of Companies confirming whether any creditors have objected to the Joint Liquidators' release.
7. The Joint Liquidator will be released at the same time as vacating office unless any of the creditors object to the release.

Date: 6 June 2022



Paul Cooper
Joint Liquidator

The joint liquidators' postal address is at 29th Floor, 40 Bank Street, London, E14 5NR. They can also be contacted via by e-mail at DE-Team@btguk.com or by telephone on 020 7400 7900.